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August 30, 2005

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, N.W.
TW-A325
Washington, D.C. 20554

Re: NECA 2006 Modification of the Average Schedule Universal Service High Cost Loop Support Formula, CC Docket No. 96-45

Dear Ms. Dortch:

In compliance with the Wireline Competition Bureau's Order, released on December 30, 2004 (DA 04-4070), attached is NECA's 2006 Modification of the Average Schedule Universal Service High Cost Loop Support Formula. This filing contains proposed modifications to the formula used to calculate interstate universal service fund high cost loop expense adjustments for average schedule companies. These average schedule modifications are scheduled to take effect on January 1, 2006 and remain in effect through December 31, 2006.

In accordance with the Commission's rules, this *2006 Modification of Average Schedules* has been filed electronically in the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Askoff".

Attachment:

2006 Modification of the Average Schedule Universal Service High Cost Loop Support Formula

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

2006

**NECA MODIFICATION OF
THE AVERAGE SCHEDULE UNIVERSAL SERVICE
HIGH COST LOOP SUPPORT FORMULA**

August 30, 2005

NECA
80 South Jefferson Road
Whippany, NJ 07981

**NECA MODIFICATION OF THE AVERAGE SCHEDULE
UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA
EFFECTIVE JANUARY 1, 2006**

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UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA
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UNIVERSAL SERVICE HIGH COST LOOP SUPPORT FORMULA
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Summary

In this filing, The National Exchange Carrier Association, Inc. (NECA) proposes modifications to the formula used to calculate Universal Service Fund (USF) high cost loop (HCL) expense adjustments for average schedule companies. This formula and associated cost per loop values are intended to govern HCL payments to average schedule companies in the 2006 calendar year.

This filing describes the methods and results of NECA's studies to update its proposed average schedule USF HCL expense adjustment formula. This filing also updates the USF HCL Cost per Loop formula that the Commission directed NECA to use for payments in 2005.

NECA is making this filing on or before September 1 of this year in response to an order of the Bureau issued on December 30, 2004. In prior years, NECA made this filing by October 1 to coincide with NECA's filing of the annual High Cost Loop Data Submission, filed under Part 36.613 of the Commission's rules. In addition, pursuant to the Bureau's order, NECA is accompanying this filing with a disk of the average schedule company data that NECA used to develop the proposed formula.

In prior years, NECA included an additional formula in this filing to be used as the basis of Local Switching Support payments by USAC to average schedule companies. As explained in NECA's 2005 Modification of Average Schedules Universal Service Formulas¹, USAC plans to file that formula this year based on a formula and sets of fractions which NECA produced as

¹ See NECA 2005 Modification of Average Schedule Universal Service Formulas, footnote 10, page II – 12 (September 29, 2004).

intermediate results in the development of its local switching access settlement formula, and that NECA included in its 2005 Modification.

A. Background

The proposed average schedule High Cost Loop (HCL) formula change is needed to assure that the formula produces payments to average schedule companies that simulate payments that would be received by representative cost companies, as required by Section 69.606(a) of the Commission's rules.

NECA proposes herein a formula that will relate expense adjustment per loop to loops per exchange (see Exhibit 1). This formula can be used to calculate the expense adjustment per loop that would be paid to each average schedule study area if the HCL fund were not capped. Commission's rules, however, cap the total payout from the HCL fund by prescribing (in Section 36.631) an algorithm that compares each study area's cost per loop to a 'capped' nationwide average cost per loop. To conform to this rule NECA converts the proposed expense adjustment per loop model to an equivalent 'derived' cost per loop model, also shown in Exhibit 1.² NECA includes cost per loop amounts based on this model for every average schedule study area, in its Annual Universal Service Fund Submission of Study Results. The derived cost per loop amounts, when used with the payment algorithm prescribed in Section 36.631 of the Commission's rules, will produce HCL payment levels to individual companies consistent with the Commission's rules.

²NECA has filed two HCL models in each year since 1999. The first model, proposed by NECA each year has been based on a statistical regression using expense adjustment per loop (EAPL) data – the “EAPL Model”. The second model, adopted by the Commission each year, has been based on a statistical regression using cost per loop (CPL) data – the “CPL Model”. NECA has a number of petitions pending for review of the Bureau’s orders rejecting the EAPL models. See, for example, “2005 NECA Modification of Average Schedule Universal Service Formulas (October 1, 2004), pages I-5, ff

Annual payments to average schedule companies under the proposed formula will total approximately \$53.9 million, and will be payable to 421 average schedule study areas in 2006. These payments reflect the maintenance of the cap on the overall fund size. In comparison, payments in 2005 under the current formula are expected to amount to \$35.3³ million to 353 study areas. The proposed payment thus represents an increase of \$18.6 million, or 52.7%, over current payments. Had the Commission approved NECA's October 2004 EAPL formula, 2005 payments would have been higher, and the proposed formula would increase those payments by \$10.3 million or 23.6% .⁴

It should be noted that while the increases in high cost funding for average schedule companies appear large when expressed as a percentage, the total amount of HCL funding available to these companies continues to be a small portion of the total. High cost loop funding for all rural companies in 2006 will amount to \$1,033 million. If the Commission approves the expense adjustment formula proposed herein, the \$53.9 million in high cost funding made available in 2006 to these companies would represent only 5.2% of the total high cost fund.

NECA is also filing a model that relates the Cost Per Loop data of sample companies to their loops per exchange values. This model is an update of the one approved by the Bureau for use in calculating HCL support in 2005. As explained below, NECA does not recommend adoption of

³ These payments are less than the \$39.78 million approved by the Bureau in its December 30, 2004 Order primarily because of adjustments to the NACPL made to assure that the fund remains under its cap as cost companies updated their data during the past year.

⁴ Payments since 2003 would be recalculated to reflect the effect of updated average schedule formulas on fund size rebasing if the Commission grants NECA's Applications for Review of the Division's *2000* or *2001 Orders*.

the cost per loop formula because it is a biased estimator of payments. Nevertheless, if the Commission adopts the cost per loop formula presented herein, payments to average schedule companies in 2006 will total \$49.99 million, payable to 419 average schedule study areas. This would represent an increase of 41.6% over 2005 payments. The cost per loop model is displayed in Exhibit 15.

B. Procedural Aspects

In preparing proposed formula revisions, NECA receives valuable assistance from the Industry Average Schedule Task Group. This group consists of exchange carrier representatives sponsored by industry associations (*i.e.* the National Telephone Cooperative Association, the Organization for the Promotion and Advancement of Small Telecommunications Companies and the United States Telecom Association). The Task Group meets several times each year during the course of NECA's study, reviews the steps taken in developing the proposed formulas, advises NECA regarding the development of procedures for administration of the formulas, and assists the NECA Board of Directors in evaluating final proposed formulas. Task Group participation assures that average schedule companies are able to participate fully in the development of the average schedules, and also have an opportunity to provide input to NECA regarding the ways in which changes in the networks can affect settlement formulas. As it has done in the past for each proposed average schedule modification, NECA will provide a statement to each average schedule company advising them of the impacts of these modifications. This detailed notification includes a brief overview of the new formulas as well as the factors that determine changes in a company's support amounts (*i.e.* changes in loop counts, changes in settlement data).

EXHIBIT 1
PROPOSED HCL EXPENSE ADJUSTMENT FORMULA FOR 2006

Proposed Expense Adjustment = Formula Expense Adjustment +
 Reduction Limit Expense Adjustment

Formula Expense Adjustment

If number of USF loops is less than 50,000 and,

If Loops per Exchange is less than 700, then:

$$\text{Expense Adjustment per Loop} = \$247.469729 - \$0.166038 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater or equal 700 and Loops per Exchange less than 3,000 then:

$$\text{Expense Adjustment per Loop} = \$154.006924 - \$0.032520 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater or equal 3,000 and Loops per Exchange less than 8,000 then:

$$\text{Expense Adjustment per Loop} = \$90.314854 - \$0.011289 \times \text{Loops per Exchange}$$

If number of USF loops is greater than or equal to 50,000, or, if Loops per Exchange is greater than or equal to 8000, then:

$$\text{Expense Adjustment per Loop} = \$0.00$$

Formula Expense Adjustment =

$$\text{Formula Expense Adjustment Per Loop} \times \text{December 2004 Loops}$$

Reduction Limit Expense Adjustment

If the June 1998 Expense Adjustment Per loop exceeds 2006 Formula Expense Adjustment Per Loop by more than \$26.64 (\$2.22 per month), then

Reduction Limit Expense Adjustment Per Loop =

$$\begin{aligned} & \text{June 1998 Expense Adjustment Per Loop} - \\ & 2005 \text{ Formula Expense Adjustment Per Loop} - \$26.64 \end{aligned}$$

Otherwise Reduction Limit Expense Adjustment Per Loop = 0

Reduction Limit Expense Adjustment =

$$\text{Reduction Limit Expense Adjustment Per Loop} \times \text{December 1996 Loops}$$

Derived Cost Per Loop Formula

If Expense Adjustment Per Loop = 0, then

$$\text{Derived Cost Per Loop} = 260.35$$

If $0 < \text{Expense Adjustment Per Loop} <$ or equal to 54.6, then

$$\text{Derived Cost Per Loop} = (\text{Expense Adjustment Per loop}/.65) + 276$$

If Expense Adjustment Per Loop $>$ 54.6, then

$$\text{Derived Cost Per Loop} = (\text{Expense Adjustment Per loop} - 54.6)/.75 + 360$$

These detailed, individual notification procedures assure that average schedule companies are aware of coming changes in settlement formulas, to enable them to plan accordingly for settlement changes in the coming year.

C. Data Used to Develop the Proposed Formula

This section describes the data that underlie the proposed HCL formula. Data comes from three sources:

1. USF data submitted by the population of Subset 3 study areas settling on the basis of cost.
2. Actual financial accounts and loop data from a sample of average schedule study areas.
3. Access line and exchange count data from the entire population of average schedule study areas.

Subset 3 cost study areas provided the categorized account data that were used to compute cost categorization factors. These data were collected in connection with the 2004 annual USF Data Submission and are available on the diskettes included with that submission.⁵

Account data and loop information were collected from the average schedule study areas sampled in 2003 and 2004. The 2003 sample provided 2002 financial accounts and loop information for 2003. The 2004 sample provided 2003 financial accounts and loop information for 2004. These data were used to determine Universal Service Fund (USF) loop cost values for each company, as described in the next section.

⁵ See 2004 NECA Universal Service Fund Submission of 2003 Study Results, National Exchange Carrier Association, Inc. (October 1, 2004).

Loop data and access line counts⁶ from the sample were used to calculate a loop count value for each sample average schedule company. In the annual collection of data from sample study areas, NECA collects loop information for the categories of residence, single line business, multi-line business, company official lines, off-premise extensions and special access lines. NECA determined the count of USF loops for each sample study area by adding access lines, company official lines and off-premises extensions bridged in the central office.

A loops-per-access line ratio was calculated by dividing sample total loops by sample total access lines. Totals used in this calculation were weighted using sample weights. Sample weights are used to expand the sample to a population estimate. A study area's sample weight is the reciprocal of the probability of its being included in the sample. The sample weight measures the count of units in the population that a member of the sample represents. For example, a study area with a sample weight of three represents three study areas in the average schedule population. An unbiased estimate of the population is achieved by weighting access line data in this manner. This means an estimate developed by this method will neither overestimate nor underestimate the loops-per-access line ratio.

Account and loop data from the sample were projected to December 2004 using account level and access line growth rates developed in NECA's 2004 study and filed in the 2005 NECA Modification of Average Schedules⁷.

⁶ In response to the FCC's July 19, 2004 Order, NECA adjusted sample companies access lines and loop counts using a DS1 Channel line count adjustment factor of 0.984, filed in NECA's 2005 Modification of Average Schedules.

⁷ See 2005 NECA Modification of Average Schedules, National Exchange Carrier Association, Inc. (December 31, 2004).

Access line data⁸ and exchange counts for the population of average schedule study areas were taken from NECA's settlement system for the month of December 2004 according to the June 2005 view. For the purpose of evaluating the proposed formula for each member of the average schedule population, USF loop counts were calculated for each study area using the loops per access line ratio.

$$\text{USF Loops} = \text{Access Lines} \times \text{Loops per Access Line Ratio}$$

USF loop and exchange counts for each average schedule study area are displayed in Appendix C.

D. HCL Expense Adjustment Formula

This section describes the derivation of the average schedule HCL expense adjustment formula by:

- computing categorization factors from Subset 3 cost company data;
- determining loop costs of a sample of average schedule study areas using these factors;
- calculating expense adjustments based on these loop costs;
- using these expense adjustment data to derive a statistical regression model.

These steps are explained in the following four subsections.

⁸ December 2004 Settlements Access lines for the population of average schedule study areas with DS1 channels adjusted to reflect 5 lines per DS1 channel service arrangement.

1. Calculation of Categorization Factors from Subset 3 Cost Companies

Cost companies submit categorized data to NECA pursuant to Section 36.611 of the Commission's rules.⁹ This data was used to compute average USF loop cost categorization factors. Loop cost categorization factors are the cost company fractions of accounts attributed to loop. They were developed from accounts related to Exchange Line Cable and Wire (C&WF) Facilities (Category 1) and Exchange Line Central Office Circuit equipment (Category 4.13).

Loop cost categorization factors were developed for each of NECA's seven geographical regions, to recognize categorization differences in circuit equipment and cable and wire facilities across regions. For example, by computing the ratio of cost company Central Office Equipment (COE) 4.13 investment to total cost company COE investment, NECA developed an average categorization factor for Category 4.13 investment.

Exhibit 2 summarizes how these categorization factors were computed from cost company data. The first column names the Algorithm line corresponding to instructions in Tab 3 of NECA's Universal Service Fund (USF) 2004 Submission of 2003 Study Results¹⁰. Algorithm lines AL3, AL4, AL5 and AL6 are categorization factors defined in the USF submission to apportion unseparated cost accounts to loop. Algorithm lines 13 through 24 are the various cost components that comprise loop cost. Line 25 is the total unseparated loop cost. Line 26 is the cost per loop. Loop cost components are named in

⁹ Data was taken from the USF Data submission filed with the Commission on Oct 1, 2004. See 2004 NECA Universal Service Fund Submission of 2003 Study Results, National Exchange Carrier Association, Inc. (October 1, 2004).

the second column in Exhibit 2. The third column is a factor description of each algorithm line and the last column presents cost categorization formulas used to calculate the value for each company.

Algorithm Lines 23 and 24 in Exhibit 2 use Adjustment Ratios to allocate Total Accumulated Depreciation to C&W Facilities and COE Transmission. This is done to ensure that the amount of reserves assigned to loop is in proportion to the amount of investment assigned to loop. The adjustment ratio is calculated as follows:

$$\text{Adjustment Ratio} = \frac{\text{Proportion Of Reserves Allocated To Loop}}{\text{Proportion Of Investment Allocated To Loop}}$$

For example, an adjustment ratio of 0.9374 for Cable & Wire Facilities would mean that the portion of reserves allocated to Loop is 93.74% of the portion of Cable & Wire Facilities investment that is allocated to Loop. Exhibit 3 describes the derivation of these ratios.

¹⁰ See 2004 NECA Universal Service Fund Submission of 2003 Study Results, National Exchange Carrier Association, Inc., (October 1, 2004).

Exhibit 2

Allocation Of Average Schedule Accounts To Loop Cost Categories

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
AL3		Factor A: C&WF Cat. 1/Total C&WF	Average ratio by region based on cost company data
AL4		Factor B: COE Cat. 4.13/Total COE	Average ratio by region based on cost company data
AL5		Factor C (C&WF Gross Allocator): C&WF Cat. 1/Total Plant in Service	Average ratio by region based on cost company data
AL6		Factor D (COE Gross Allocator): COE Cat. 4.13/Total Plant in Service	Average ratio by region based on cost company data
AL13	C&WF Maintenance	C&WF Maintenance Expense assigned to Cat. 1 C&WF R&B Factor = <u>C&WF R&B Exp.</u> <u>C&WF Expense</u>	Factor A x (1 - C&WF R&B Factor) x <u>C&WF Expense</u> ¹¹
AL14	COE Maintenance	COE Maintenance Expense assigned to Cat. 4.13 COE R&B Factor = <u>COE R&B Exp.</u> <u>COE Expense</u>	Factor B x (1 - COE R&B Factor) x <u>COE Expense</u>
AL15	Network and General Support Expense	Network Support Expense plus General Support Expense assigned to C&WF Cat. 1 and to COE Cat. 4.13 Net. Spt. R&B Factor = <u>Network Spt. R&B Exp.</u> <u>Network Support Expense</u> Gen. Spt. R&B Factor = <u>General Spt. R&B Exp.</u>	(Factor A + Factor B) x [(1 - Network Support R&B Factor) x <u>Network Support Expense</u> + (1 - General Support R&B Factor) x <u>General Support Expense</u>]

¹¹ Amounts underlined are data or calculated values of sample average schedule study areas. Other values are cost company factors.

Exhibit 2

Allocation Of Average Schedule Accounts To Loop Cost Categories

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
		General Support Expense	
AL16	Network Operations Expense	<p>Network Operations Expense assigned to C&WF Cat. 1 and to COE Category 4.13</p> <p>Ntwk. Oper. Ben. Factor = $\frac{\text{Ntwk. Oper. R&B Exp.}}{\text{Ntwk. Oper. Expense}}$</p>	$(\text{Factor A} + \text{Factor B}) \times (1 - \text{Network Operations Ben. Factor})$ $\times \underline{\text{Network Operations Expense}}$
AL17	C&WF Depreciation & Amortization Expense	<p>Depreciation & Amortization Expense assigned to C&WF Category 1</p> <p>Dep. Exp. C&WF Factor = $\frac{\text{Dep. & Amort. Exp. CWF}}{\text{C&WF}}$</p> <p>Tangibles -- C&WF = $\frac{\text{Amort. Tangible Assets -- C&WF}}{\text{Amort. Tangible Assets}}$</p> <p>Depreciation--Tang. Factor = $(\text{Deprec.} - \text{Tangibles}) / \text{Tangibles}$</p>	$\text{Factor A} \times [(\text{Depreciation Expense Factor--C&WF} \times \underline{\text{C&WF}})$ $+ (\text{Depreciation Expense Factor--Tangibles} \times \underline{\text{Tangibles}})$ $\times (\text{Tangibles Factor -- C&WF} \times \underline{\text{Amort. Tangible Assets}})]$
AL18	COE Depreciation & Amortization Expense	<p>Depreciation & Amortization Expense assigned to COE Category 4.13</p> <p>Dep. Exp. COE Factor = $\frac{\text{Dep. & Amort. Exp. COE}}{\text{COE}}$</p> <p>Tangibles -- COE = $\frac{\text{Amort. Tangible Assets -- COE}}{\text{Amort. Tangible Assets}}$</p>	$\text{Factor B} \times [(\text{Depreciation Expense Factor--COE} \times \underline{\text{COE}})$ $+ (\text{Depreciation Expense Factor--Tangibles} \times \underline{\text{Tangibles}}) \times (\text{Tangibles Factor -- COE} \times \underline{\text{Amort. Tangible Assets}})]$

Exhibit 2

Allocation Of Average Schedule Accounts To Loop Cost Categories

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
		Depreciation--Tang. Factor = <u>Deprec.-Tangibles</u> Tangibles	
AL19	Corporate Operations Expense	Corporate Operations Expense assigned to C&WF Cat. 1 and to COE Cat. 4.13, limited as per §36.621(a)(4) ¹²	(Factor C + Factor D) x <u>Corporate Operations Expense</u>
AL20	Operating Taxes	Operating Taxes assigned to C&WF Cat. 1 and to COE Cat. 4.13 Federal Income Tax Factor = <u>Operating Taxes</u> Total Plant in Service	(Factor C + Factor D) x Federal Income Tax Factor x <u>Total Plant in Service</u>
AL21 + AL22	Benefits & Rents	Benefits & Rents other than Corporate Operations Expense assigned to C&WF Cat. 1 and COE Cat. 4.13 C&WF R&B Factor = <u>C&WF R&B Expense</u> <u>C&WF Expense</u> COE R&B Factor = <u>COE R&B Expense</u>	(Factor C + Factor D) x [(C&WF R&B Factor x <u>C&WF Expenses</u>) + (COE R&B Factor x <u>COE Expenses</u>) + (Net. Sup. R&B Factor x <u>Net. Sup. Expenses</u>) + (General Sup. R&B Factor x <u>General Sup. Expenses</u>) + (Net. Op. Ben. Factor x <u>Net. Op. Expenses</u>)]

¹² For purposes of the USF Data Submission, Corporate Operations Expenses were subject to the cap imposed by the Commission in its Order on Reconsideration adopted July 10, 1997. See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Order on Reconsideration*, 12 FCC Rcd 10095 at ¶¶ 19-21 (1997). Modification to this cap according to the RTF Order are reflected here.

Exhibit 2

Allocation Of Average Schedule Accounts To Loop Cost Categories

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
		<p>COE Expense</p> <p>Net. Spt. R&B Factor = $\frac{\text{Network Spt. R&B Exp.}}{\text{Network Support Expense}}$</p> <p>Gen. Spt. R&B Factor = $\frac{\text{General Spt. R&B Exp.}}{\text{General Support Expense}}$</p> <p>Ntwk. Oper. Ben. Factor = $\frac{\text{Ntwk. Oper. R&B Exp.}}{\text{Ntwk. Oper. Expense}}$</p>	
AL23	C&WF Return	<p>Return Component for C&WF Cat. 1</p> <p>C&WF Cat. 1 Factor = $\frac{\text{C&WF Cat. 1}}{\text{C&WF}}$</p> <p>Tangibles -- C&WF Factor = $\frac{\text{Tangibles --C&WF}}{\text{Tangibles}}$</p> <p>Accum. Dep. Adj. Ratio -- C&WF (See Exhibit 3)</p> <p>Net N.C. Def. FIT = $\frac{\text{Net N. C. Def. FIT--C&WF}}{\text{Factor for C&WF Net N. C. Def. FIT}}$</p>	$\{(\text{C&WF Cat. 1 Factor} \times \underline{\text{C&WF}})$ $+ (\text{Tangibles Factor--C&WF} \times \underline{\text{Tangibles}})$ $+ (\text{Factor C} \times \underline{\text{Materials & Supplies}})$ $- \text{Factor A} \times [(\text{Accum. Dep. Adj. Ratio -- C&WF} \times \underline{\text{Acc. Dep.}}) \times \% \text{C&WF Cat 1 of TPIS})]$ $+ (\text{Net N.C. D. FIT Factor--C&WF} \times \underline{\text{Net N. C. D. FIT}})$ $+ (\text{Accum. Dep. Adj. Ratio -- C&WF} \times \underline{\text{Acc. Amo.}})]\} \times .1125$
AL24	COE Return	<p>Return Component for COE Cat. 4.13</p> <p>COE Cat. 4.13 Factor = $\frac{\text{COE Cat. 4.13}}{\text{COE}}$</p>	$\{(\text{COE Cat. 4.13 Factor} \times \underline{\text{COE}})$ $+ (\text{Tangibles Factor--COE} \times \underline{\text{Tangibles}})$ $+ (\text{Factor D} \times \underline{\text{Materials & Supplies}})$ $- \text{Factor B} \times [(\text{Accum. Dep. Adj Ratio -- COE}) \times \% \text{COE Cat 1 of TPIS})]\} \times .1125$

Exhibit 2

Allocation Of Average Schedule Accounts To Loop Cost Categories

Algorithm Line	Loop Cost Component	Factor Description	Cost Allocation Formula
		<p>Tangibles -- COE Factor = $\frac{\text{Tangibles} - \text{COE}}{\text{Tangibles}}$</p> <p>Accum. Dep. Adj Ratio -- COE. (See Exhibit 3)</p> <p>Net N.C. Def. FIT = $\frac{\text{Net N. C. Def. FIT} - \text{COE}}{\text{Factor for COE Net N. C. Def. FIT}}$</p>	$x \text{ Acc. Dep } x \frac{\% \text{COE Cat 4.13 of TPIS}}{\text{Net N.C. Def. FIT}} + (\text{Accum. Dep. Adj Ratio -- COE } x \frac{\text{Acc. Amo.}}{\text{Net N.C. Def. FIT}}) \} x .1125$
AL25	Loop Costs	Total Unseparated Loop Cost	Sum of AL13 -- AL24
AL26	Cost Per Loop	Study Area Cost per Loop	AL25 Divided by Total Loops

Exhibit 3

Adjustment Ratios For Allocation Of Total Accumulated Depreciation

Description	Calculation	Factor name
COE Transmission fraction of TPIS	Sum DL240 / Sum DL160	TPIS % 2230
C&W Facilities fraction of TPIS	Sum DL255 / Sum DL160	TPIS % 2410
COE Transmission fraction of Tot. Acc. Dep.	Sum DL270 / Sum DL190	ACCT 3100 % 2230
C&W Facilities fraction of Tot. Acc. Dep.	Sum DL280 / Sum DL190	ACCT 3100 % 2410
Adjustment Ratio for COE Transmission.	ACCT 3100 % 2230 / TPIS % 2230	Accum. Dep. Adj. Ratio - COE
Adjustment Ratio for C&W Facilities.	ACCT 3100 % 2410 / TPIS % 2410	Accum. Dep. Adj. Ratio - C&WF

DL240 = COE Transmission (Acct 2230)

DL255 = C&WF Total (Acct 2410)

DL160 = Total Plant in Service (TPIS)

DL270 = Accumulated Depreciation - COE Transmission Equipment

DL280 = Accumulated Depreciation – Cable & Wire Facilities

DL190 = Accumulated Depreciation

Exhibit 4 displays the computed values of the loop cost categorization factors from sample cost companies, in each of NECA's seven geographical regions.

Exhibit 4
Loop Cost Categorization Factors from Sample Cost Companies

Factor	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7
Factor A	0.93521	0.94469	0.90154	0.88925	0.90996	0.84881	0.87017
Factor B	0.25626	0.37465	0.31929	0.39921	0.33130	0.34575	0.32426
Factor C	0.44017	0.51923	0.46735	0.50050	0.43956	0.44673	0.46297
Factor D	0.08844	0.11597	0.09969	0.10939	0.10795	0.10937	0.10359
C&WF Rents & Benefits	0.27744	0.25427	0.21289	0.25801	0.19669	0.26886	0.21837
COE Rents & Benefits	0.03791	0.05057	0.03674	0.07368	0.07104	0.08683	0.04945
Tangibles - C&WF	0.00000	0.00000	0.00000	0.34506	0.00000	0.89965	1.00000
Tangibles - COE Transmission	0.10953	0.00000	0.00000	0.00000	0.00000	0.08943	0.00000
Tangibles - COE Category 4.13	0.00000	0.00000	0.00000	0.00000	0.00000	0.08943	0.00000
Accumulated Depreciation - C&WF	0.47676	0.55658	0.48238	0.55198	0.42975	0.50270	0.54838
Accumulated Depreciation - COE Transmission	0.14307	0.16495	0.15349	0.17454	0.17803	0.20284	0.15994
Net Non-Current Deferred FIT-C&WF	0.46986	0.49053	0.53805	0.57870	0.44000	0.44045	0.42900
Net Non-Current Deferred FIT-COE Transmission	0.14821	0.18060	0.15114	0.16290	0.21128	0.19598	0.24183
Network Support Rents & Benefits	0.13013	0.23330	0.17100	0.09618	0.17285	0.08525	0.37234
General Support Rents & Benefits	0.19149	0.12146	0.22499	0.14400	0.28672	0.26665	0.12353
Network Operations Benefits	0.18883	0.21354	0.23436	0.21622	0.21357	0.23602	0.21023
Depreciation Expense - C&WF	0.04723	0.05541	0.04841	0.05052	0.04839	0.04643	0.04931
Depreciation Expense - COE Transmission	0.07769	0.09420	0.08904	0.08344	0.09286	0.07656	0.08312
Depreciation – Tangibles	0.00000	0.00000	0.00000	0.32995	0.00000	0.00000	0.00475
Accumulated Depreciation Adj. Ratio - COE	0.93031	0.97139	0.99125	1.07898	1.07873	1.08243	0.89902
Accumulated Depreciation Adj. Ratio - C&WF	0.98967	0.99030	0.90797	0.94069	0.86785	0.93545	1.00346
Federal Income Tax	0.02378	0.02326	0.02387	0.02179	0.02013	0.01346	0.01669

2. Calculation of Loop Cost for Sample Average Schedule Companies

NECA calculated loop costs for sample average schedule companies consistent with the Part 36 rules that apply to cost companies. Accordingly, for each average schedule study area in the sample, the loop cost is the accumulation of components of accounts assigned to loop. Costs assigned to the loop include Cable & Wire Facilities investment in Category 1, COE investment in Category 4.13 and other accounts assigned proportionately based on these accounts. Portions of costs in accounts assigned to the loop were determined using the allocation ratios derived from cost companies.

NECA applied the cost categorization factors shown in Exhibit 4 to uncategorized accounts from sample average schedule study areas to produce unseparated average schedule category-level loop costs. Section 36.621 of the Commission's rules describes various unseparated accounts that make up a study area's total unseparated loop costs. Following this method, the unseparated loop cost for each sample average schedule study area was determined by summing the following categories related to COE Category 4.13 and C&WF Category 1 plant, as follows.

$$\begin{aligned} \text{Loop Cost} = & \text{ Maintenance Expense} + \text{Network \& General Support Expenses} \\ & + \text{Network Operations Expense} + \text{Depreciation \& Amortization Expense} \\ & + \text{Corporate Operations Expense} + \text{Operating Taxes} + \text{Benefits Expense} \\ & + \text{Rent Expense} + \text{Return on Investment} \end{aligned}$$

Exhibit 5 presents the results of loop cost calculations for the average schedule sample.

Exhibit 5

Allocation of Unseparated Total Accounts to Loop Weighted Total Data from the Average Schedule Sample

Algorithm Line	Cost Category	Calculation Method	Total Account Per Loop	Avg Loop %	Loop Cost Per Loop
1	C&WF Category 1	Cost Company Factor	1352.81	0.91	1230.14
2	COE Category 4.13	Cost Company Factor	1043.03	0.32	332.66
3	Factor A	% C&WF Cat 1 of Total C&WF	1353.13	0.91	1230.14
4	Factor B	% COE Cat 4.13 or Total COE	1043.03	0.32	332.66
5	Factor C	% C&WF Cat 1 of TPIS	2812.94	0.44	1230.14
6	Factor D	% COE Cat 4.13 of TPIS	2812.94	0.12	332.66
7	Materials & Supplies for CWF Cat 1	Factor C x M&S	18.14	0.42	7.69
8	Materials & Supplies for COE Cat 4.13	Factor D x M&S	18.14	0.12	2.18
9	Reserves for CWF Cat 1	Factor A x Reserves	1745.91	0.42	740.28
10	Reserves for COE Cat 4.13	Factor B x Reserves	1745.91	0.12	217.76
11	Factor E	% Net C&WF Cat 1 of Net TPIS	1087.83	0.46	497.55
12	Factor F	% Net COE Cat 4.13 of Net TPIS	1087.83	0.11	117.08
13	Maintenance of C&WF Cat 1	Factor A x (Maintenance - R & B)	54.25	0.69	37.42
14	Maintenance of COE Cat 4.13	Factor B x (Maintenance - R & B)	42.36	0.27	11.4
15a	Network Support Assigned to Loop	(Fact C + Fact D) x (Net Sup Exp - R&B)	1.98	0.44	0.88
15b	General Support Assigned to Loop	(Fact C + Fact D) x (Gen Sup Exp - R&B)	22.02	0.46	10.04
16	Network Operations Assigned to Loop	(Fact C + Fact D) x (Net Ops Exp - R&B)	37.74	0.44	16.54
17	Depreciation of C&WF Cat 1	C&WF Cat 1 x C&WF Deprec Rate	1230.14	0.05	61.73
18	Depreciation of COE Cat 4.13	COE Cat 4.13 x COE Deprec Rate	332.66	0.09	29.04
19a	Executive & Planning Assigned to Loop	(Fact C + Fact D) x Exec & Planning Exp	40.56	0.53	21.56
19b	General & Administrative Assigned to Loop	(Fact C + Fact D) x Gen & Admin Exp	82.86	0.54	44.53
20	Operating Taxes Assigned to Loop	(Factor C + Factor D) x Oper Taxes	60.3	0.56	33.71
21	Benefits in Oper. Exp. Assigned to Loop	(Fact C + Fact D) x (Benefits - Corp Ops)	120.61	0.17	20.55
22	Rents in Oper Exp Assigned to Loop	(Fact C + Fact D) x (Rents - Corp Ops)	120.61	0.03	3.34
23	Return on C&WF Cat 1	.1125 x Net CWF Cat 1	497.55	0.11	55.97
24	Return on COE Cat 4.13	.1125 x Net COE Cat 4.13	117.08	0.11	13.17
25	Total Loop Cost	Sum 13 Thru 24	2760.72	0.13	359.89

3. Calculation of Expense Adjustments for Sample Average Schedule Study Areas

Having determined individual cost per loop (CPL) amounts for each of the 206 sample companies providing account data, it is then possible for NECA to determine with a high degree of precision the HCL expense adjustment that each sample company would receive if it were to perform cost studies pursuant to Part 36 of the Commission's rules.

The following expressions show how Expense Adjustment Per Loop (EAPL) is computed from CPL of each sample study area, following Section 36.631 of the Commission's rules¹³.

Exhibit 6

Calculation Of Sample Study Area Expense Adjustment

National Average Cost Per Loop (NACPL) = \$240.00¹⁴

For study areas with count of working loops $\leq 200,000$ ¹⁵,

$$\text{If } (115\% \times NACPL) < CPL \leq (150\% \times NACPL), \text{ then} \\ EAPL = 0.65 \times (CPL - 115\% \times NACPL) \quad [1]$$

$$\text{If } CPL > 150\% \times NACPL, \text{ then} \\ EAPL = 0.65 \times (150\% \times NACPL - 115\% \times NACPL) + \\ 0.75 \times (CPL - 150\% \times NACPL) \quad [2]$$

$$\text{If } CPL \leq 115\% \times NACPL, \text{ then } EAPL = 0 \quad [3]$$

¹³ 47 C.F.R. § 36.631.

¹⁴ See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Multi Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00-256, *Fourteenth Report and Order, Twenty-Second Order On Reconsideration and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256*, 16 FCC Rcd 11244 at ¶¶ 55-59 (2001) (RTF Order), which prescribes use of \$240.00 as the uncapped NACPL for rural companies for next five years.

¹⁵ According to Part 36 rules, a different calculation is used for study areas with more than 200,000 working loops. There is one study area that falls in this category. However, it does not qualify for expense adjustment payment because its CPL is less than the qualification threshold.

These calculations were performed for each sample average schedule study area, producing an EAPL value based on its individual cost. These amounts are equivalent to the amounts that each sample company would receive if it were to conduct cost studies and submit HCL data to NECA pursuant to Part 36 of the Commission's rules. These data further show that sample companies, as a group, would be entitled to receive \$85.02 million in uncapped HCL expense adjustments in 2006.

Finally, NECA estimated the amount of HCL payments to which the entire population of average schedule companies (sample and non-sample) would be entitled if they were to conduct the necessary cost studies. This estimate was calculated by using the sample weights described in Section C. As discussed in that section, use of sample weights in this manner produces an unbiased estimate of population totals from sample data.

Based on this calculation, the total uncapped expense adjustment amount that would be payable to the population of average schedules based on cost studies would be \$150.34 million in 2006.

4. Expense Adjustment per Loop Formula

This study develops a formula that can be used to compute HCL payments for all average schedule companies. The underlying basis for the formula is the comparison of payment data obtained from average schedule sample companies to commonly available demand quantities. Based on the relationship of these variables, a mathematical model is developed which is used to compute HCL payments for each member of the total

population of average schedule companies.

NECA used the expense adjustment per loop data of sample average schedule study areas to derive a statistical regression model. This model form was first presented in the 1998 NECA Further Modification of Average Schedules¹⁶, filed on June 2, 1998, and approved by the Commission in its June 29, 1998 Order¹⁷. The model that relates expense adjustment per loop to loops per exchange was found to produce statistically significant coefficients. NECA has continued review of other possible models since that time, finding that none offer an overall improvement. Accordingly, NECA proposes to continue the use of this model form in 2006.

The independent variable in this model is loops per exchange. NECA studies have shown, however, that such a model more accurately targets expense adjustments for companies with smaller counts of loops per exchange. Accordingly, since 1998, NECA has included a loops-per-exchange payment limit in its formula. The effect of including this payment limit is to allow HCL payments only to those companies with smaller numbers of loops per exchange. For companies with loops per exchange above the payment limit, the model's expense adjustment value is zero. While this payment limit method targets payments accurately to the group of smaller companies, it has underpaid average schedule companies in total. NECA nevertheless uses this method because, in the absence of an accurate formula to distribute support among larger companies, it appears more reasonable to limit support entirely rather than pay inaccurate amounts,

¹⁶ See 1998 NECA Further Modifications of Average Schedules, AAD 98-20, National Exchange Carrier Association, Inc., (June 2, 1998).

¹⁷ See National Exchange Carrier Association, Inc., Proposed Modifications to the 1998-1999 Interstate Average Schedules, AAD 98-20, *Order*, 13 FCC Rcd 17351 (1998).

particular since the majority of larger average schedule companies would not receive payments based on actual costs in any event.

This model uses the outlier accommodation method for regression, first introduced in NECA's December 31, 1998 average schedule filing¹⁸ and approved by the Commission¹⁹. The threshold used in this calculation was equal to three standard deviations of the residuals. The outlier accommodation method uses weighted linear regression, with regression weights defined in two steps. First residuals and DFFITS values for each observation are determined by an unweighted linear regression. Then regression weights are calculated using these values.

If $\text{Abs}(\text{residual}) \leq \text{threshold}$, then regression weight_i=1

$$\text{Else regression weight}_i = \left(\frac{C/2}{DFFITS_i} \right)^2, \text{ where } C = 2\sqrt{\frac{P+1}{N-P-1}}$$

P = number of model coefficients, N = number of observations

In its 1998 study NECA initially proposed this expense adjustment per loop model using a payment limit of 1300 loops per exchange. In its 2001 study, NECA re-analyzed the relationship between the model payment limit and accuracy of results, choosing a payment limit of 2650 loops per exchange.

Data in studies this year show a continuation of trend changes observed in prior years.

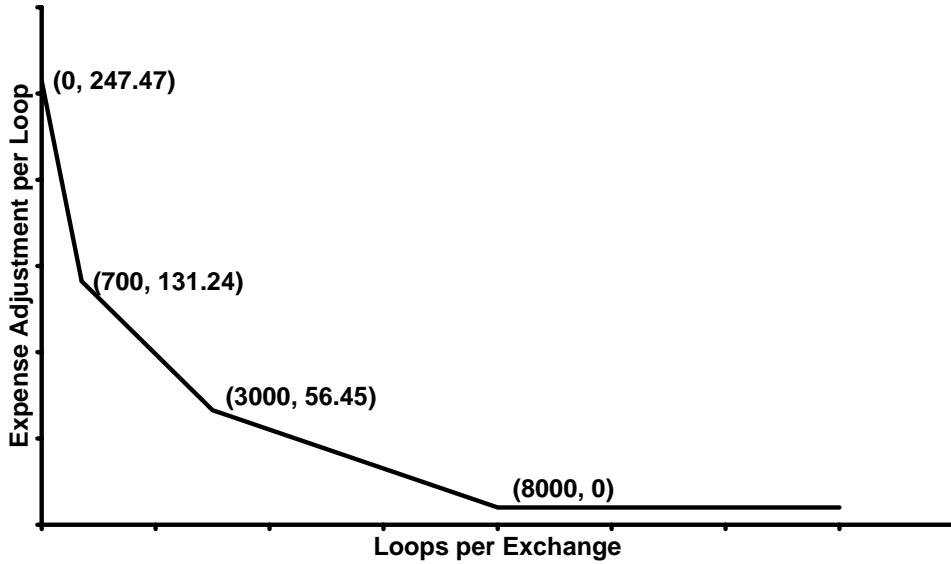
¹⁸ See 1999 NECA Modifications of Average Schedules, National Exchange Carrier Association, Inc. (December 31, 1998).

¹⁹ See National Exchange Carrier Association, Inc., Proposed Modifications to the 1999-2000 Interstate Average Schedule Formulas, ASD 99-18, *Order*, 14 FCC Rcd 9803 (1999).

Data indicates that more companies with higher values of loops per exchange would qualify for HCL payments based on individual costs. This change has occurred because more average schedule companies have reported higher costs, and because of new rules promulgated by the Commission in the *RTF Order* for July 2001. These rules reduced the nationwide average loop cost used to calculate HCL payments, affording payments to many more study areas than received payments under prior calculations. NECA has accordingly re-analyzed data of sample companies and determined that study areas with loops per exchange up to 8000 would receive payments if cost studies were performed using the new rules. Accordingly, NECA extended the formula payment limit from 2650 to 8000²⁰. NECA then designed formula breakpoints to assure that support amounts would be accurately distributed to study areas in all size ranges. NECA determined statistically that the formula would be more accurate if it also had breakpoints at 700 and 3000 loops per exchange. In order to reflect these trends, NECA developed an expense adjustment model consisting of four straight lines connected at these breakpoints and at the payment limit. NECA tested sets of breakpoints and regression coefficients iteratively to determine the combination that fits the data best. This model is illustrated in the following exhibit.

²⁰ Because of the fund cap, average schedule companies that will actually receive payments in 2006 will only include those with fewer than 2890 loops per exchange, according to NECA's current view of the capped NACPL.

Exhibit 7
Expense Adjustment Per Loop Model



Next, NECA used linear regression to solve for other parameters of the model. The regression model is specified as follows (LPE designates each study area's loops per exchange ratio and EAPL designates the study area's expense adjustment per loop).

$$EAPL_i = [a_1 + b_1(LPE_i)]\delta_{1i} + [a_2 + b_2(LPE_i)]\delta_{2i} + [a_3 + b_3(LPE_i)]\delta_{3i}$$

where: $\delta_{1i} = 1$, if $LPE_i < BP_1$, and $\delta_{1i} = 0$ otherwise

$\delta_{2i} = 1$, if $BP_1 \leq LPE_i < BP_2$, and $\delta_{2i} = 0$ otherwise

$\delta_{3i} = 1$, if $BP_2 \leq LPE_i < Payment\ Limit$ and $\delta_{3i} = 0$ otherwise

The model is constrained at the breakpoints, BP_1 , BP_2 and *Payment Limit*, so that:

$$a_1 + b_1 \cdot BP_1 = a_2 + b_2 \cdot BP_1$$

$$a_2 + b_2 \cdot BP_2 = a_3 + b_3 \cdot BP_2$$

$$\text{and } a_3 + b_3 \cdot Payment\ Limit = 0$$

The regression model that includes these linear constraints estimates the parameters. Following is the resulting model:

Exhibit 8
Expense Adjustment Regression Formula

If number of USF loops is less than 50,000 and,

If Loops per Exchange is less than 700, then:

$$\text{Expense Adjustment per Loop} = \$247.469729 - \$0.166038 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater or equal 700 and Loops per Exchange less than 3,000 then:

$$\text{Expense Adjustment per Loop} = \$154.006924 - \$0.032520 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater or equal 3,000 and Loops per Exchange less than 8,000 then:

$$\text{Expense Adjustment per Loop} = \$90.314854 - \$0.011289 \times \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 8000, then:

$$\text{Expense Adjustment per Loop} = \$0.00$$

E. Expense Adjustments for the Population of Average Schedule Companies

The expense adjustment for each average schedule company in the population was calculated as the sum of the formula expense adjustment and the reduction limit expense adjustment as described below.

1. Formula Expense Adjustment

Using the expense adjustment regression model, the uncapped NACPL of \$240, and

December 2004 loops and exchange counts²¹, NECA calculated formula expense adjustment for each member of the average schedule population. By this calculation, expense adjustments to average schedule companies would total \$143.2 million.

2. Reduction Limit

Since 1998, NECA has proposed a reduction limitation mechanism in its HCL formula. This mechanism is necessary because, under formulas in effect prior to 1998, a few very small average schedule companies received HCL payments that were materially higher than payments produced by the formulas in effect since that time.

A “flash cut” from prior levels of HCL payments to current levels could significantly harm these companies. In order to avoid these settlement dislocations, NECA proposes to maintain the current reduction limit method, which provides that each company’s monthly expense adjustment will not be reduced from the June 1998 level by more than \$2.22 per loop. If a study area’s annualized June 1998 expense adjustment per loop exceeds the formula expense adjustment per loop by more than 12 x \$2.22 (\$26.64), then NECA proposes that a reduction limitation component be added to the study area’s expense adjustment, determined as follows. The June 1998 expense adjustment was based on December 1996 loops, while the 2006 expense adjustment is based on December 2004 loops. If the June 1998 annualized expense adjustment per 1996 loop exceeds the proposed 2006 expense adjustment per 2004 loop, then the reduction limit

²¹ For a few average schedule study areas, which had acquired exchanges with support restricted by §54.305 of commission rules, NECA reduced these data to exclude the acquired exchanges.

component applied to December 1996 loops would be the June 1998 expense adjustment per loop less the 2006 formula expense adjustment per loop, less \$26.64.²²

The limitation method described above reduces what would otherwise be a significant adverse impact on very small average schedule companies. This is consistent with the policy enacted by the Telecommunications Act of 1996 that funding for universal service be specific and predictable.²³ NECA plans to reassess this reduction limitation as definitions and quality of potential new variables are resolved.²⁴

The limitation proposal has only a small impact on total uncapped expense adjustments, approximately \$3,108 per year, bringing the uncapped total from \$143.157 million to \$143.160 million. When capped, the payment from the combined formula using the reduction limit would be \$53.9 million. Absent the reduction limit, the capped formula payment amount would still total about \$53.9 million.

F. Deriving USF Loop Costs for the Population of Average Schedule Companies

FCC rules require NECA to file HCL data in the form of loop counts and cost per loop (CPL) for each study area.²⁵ To meet this requirement, while accurately applying the expense adjustment

²² For study areas formed after the June 1998 filing, the earliest loop and exchange counts will be used with the 1998 formula to calculate the reduction limit.

²³ 47 U.S.C. § 254 (b)(s).

²⁴ This reduction limitation component applies only to loops served by each study area in December 1996. NECA proposes that loops added since that date should continue to receive payments based only on the formula expense adjustment.

²⁵ 47 C.F.R. §36.613 (a) (1).

formula, NECA developed a one-to-one equivalence between a study area's EAPL and a CPL value. NECA uses the derived CPL values in the USF data submission.

To determine derived CPL values, NECA analyzed the relationship between filed CPL data and the expense adjustment amounts calculated from these data. Based on this relationship, NECA determined the derived CPL values that precisely corresponded to the EAPL formula, plus the reduction limitation support, by the following steps.

In Exhibit 6, NECA identified the equations used to calculate EAPL from CPL data. These equations use the NACPL value of \$240.00, threshold levels of 115% and 150%, and payment percentages of 65% and 75%. They prescribe the assignment of each study area to one of three cost per loop bands in order to calculate EAPL from CPL. Accordingly, NECA analyzes its average schedule EAPL formula in the same three bands. The EAPL used in these calculations is calculated as follows:

Expense Adjustment Per Loop =

$$\frac{\text{Formula Expense Adjustment} + \text{Reduction Limit Expense Adjustment}}{\text{December 2004 Loops}}$$

NECA used equations from Exhibit 6 to determine limits of EAPL bands that correspond to cost per loop bands. Exhibit 9 shows this derivation using Equation [1].

Exhibit 9

Expense Adjustment Band Boundaries

$$\begin{aligned}
 & 1.15 \times NACPL < CPL \leq 1.50 \times NACPL \\
 \Rightarrow & (1.15 \times NACPL - 1.15 \times NACPL) < (CPL - 1.15 \times NACPL) \\
 & \leq (1.50 \times NACPL - 1.15 \times NACPL) \\
 \Rightarrow & 0.65 \times (0) < 0.65 \times (CPL - 1.15 \times NACPL) \leq 0.65 \times (0.35 \times NACPL) \\
 \Rightarrow & 0 < EAPL \leq 0.65 \times (0.35 \times NACPL) \quad [4]
 \end{aligned}$$

From this relationship, the lower bound of expense adjustment for study areas with CPL greater than 150% of NACPL is $0.65 \times (0.35 \times NACPL)$. NECA used this lower bound to solve for the CPL formula in each of the three cost per loop bands.

Exhibit 10 shows the derivation of the CPL formula in the band of CPL values between 115% and 150% of the NACPL, using equations [1] and [4].

Exhibit 10

Derived Cost Per Loop For $0 < EAPL \leq 0.65 \times 0.35 \times NACPL$

$$\begin{aligned}
 & \text{If } 0 < EAPL \leq (0.65 \times 0.35 \times NACPL) \\
 & \text{Then } EAPL = 0.65 \times (CPL - 1.15 \times NACPL) \\
 \Rightarrow & \text{Derived CPL} = \frac{EAPL}{0.65} + 1.15 \times NACPL \\
 \Rightarrow & \text{Derived CPL} = \frac{EAPL}{0.65} + 276 \quad [5]
 \end{aligned}$$

Similarly, Exhibit 11 shows the derivation of the CPL formula in the band of values exceeding 150% of the NACPL.

Exhibit 11

Derived Cost Per Loop Formula For EAPL > 0.65 x 0.35 x NACPL

$$If \quad 0.65 \times 0.35 \times NACPL < EAPL$$

$$Then \ Derived \ CPL = \frac{EAPL - 0.65 \times 0.35 \times NACPL}{0.75} + 1.50 \times NACPL$$

$$\Rightarrow \text{Derived CPL} = \frac{EAPL - 54.6}{0.75} + 360 \quad [6]$$

Equations [5] and [6] define the derived CPL formula for bands with expense adjustment greater than zero. These formulas connect continuously at the band boundary. Because the data submission requires a CPL value for every exchange carrier, NECA also develops the CPL formula for the band with EAPL equal to zero. Because every CPL value in this band produces a zero expense adjustment, this band does not have an inherent one-to-one match between expense adjustment and loop cost. Consequently, NECA has tested a best-fit regression method to obtain this part of the loop cost formula.

Because the slope of the regression model was not statistically significant NECA used the overall average CPL, of study areas with loops per exchange exceeding 8000 as their derived CPL.

$$\text{Derived CPL} = 260.35 \quad [7]$$

The proposed formula, derived using equations [5], [6], and [7], is shown in Exhibit 1. NECA has provided data based on this formula to USAC for USF administration and will notify exchange carriers of proposed changes subsequent to this filing.

G. HCL Payments for Population of Average Schedule companies

In 2006, actual HCL payments will be determined using each company's CPL value, and the NACPL value adjusted according to the Commission rules to cap the total fund size. Following is a discussion of the effects of these calculations.

Commission rules prescribed that the fund size beginning in 2003 reflect payments that would have been made to rural carriers in 2001, had no fund size cap been in effect. Accordingly, in 2001 NECA prepared fund size calculations that included payment changes to cost and average schedule study areas.

Using the capped NACPL to calculate expense adjustment for actual payment, both average schedule and cost companies have two views of HCL expense adjustments – the one dependent on the company's CPL and the NACPL; and the other actual payment depending on the CPL and the “capped” NACPL, which is \$319.27 at the time of this filing.²⁶ Both were calculated using the formulas shown in Exhibit 6.

²⁶ NECA has filed a Petition for Reconsideration of the Commission's December 30, 2004 Order insofar as it required NECA to use a cost per loop model rather than the proposed EAPL model. Should the Commission grant that petition, NECA would update this nationwide average, and payments to cost and average schedule companies would be revised as a result.

Because of the cap, payments to average schedule companies will be reduced from the uncapped expense adjustment level of \$143.2 million to \$53.9 million. Average schedule companies that will actually receive payments in 2006 are those with loops per exchange less than 2890, according to NECA's current view of the capped NACPL.

H. Effects of Changes on Average Schedule Companies

This section provides a summary comparison of proposed payments of \$53.9 million and current payments of \$35.3 million, categorized by line size group and by percent difference band.

Exhibit 12 summarizes the changes in payments by study area size.

Exhibit 12
Proposed Monthly HCL Payment Changes By Loop Size

Access Line Size Group	Count of Study Areas	2005 USF Payments (current)	2006 Proposed Payment (Fund Cap Applied)	Monthly Change per Loop	Percent Difference
0 TO 500	68	\$163,020	\$191,046	\$1.50	17.19
500 TO 1000	88	\$376,454	\$431,299	\$0.82	14.57
1000 TO 2500	154	\$900,328	\$1,279,897	\$1.50	42.16
2500 TO 5000	69	\$701,134	\$977,282	\$1.08	39.39
5000 TO 10000	54	\$616,875	\$953,943	\$0.90	54.64
10000 TO 20000	23	\$180,771	\$426,549	\$0.79	135.96
OVER 20000	20	\$0	\$234,111	\$0.22	100.00

Exhibit 13 summarizes the changes in expense adjustments by percent change bands.

Exhibit 13

Proposed Monthly HCL Payment Changes By Per Cent Change Bands

Percent Change Group	Count of Study Areas	2005 USF Payments (current)	2006 Proposed Payment (Fund Cap Applied)	Monthly Change per Loop
-60% TO -50%	1	\$4,670	\$2,216	-\$13.48
-10% TO -5%	1	\$3,670	\$3,397	-\$0.38
-2% TO 0%	1	\$3,661	\$3,628	-\$0.05
0% TO +2%	60	\$32,190	\$32,501	\$0.00
+2% TO +5%	19	\$174,722	\$180,636	\$0.17
+5% TO +10%	39	\$303,821	\$326,254	\$0.36
+10% TO +20%	151	\$1,448,576	\$1,702,725	\$1.12
+20% TO +30%	49	\$505,556	\$618,435	\$1.32
+30% TO +40%	11	\$109,432	\$145,410	\$1.07
+40% TO +50%	9	\$49,097	\$71,598	\$1.29
+50% TO +60%	8	\$42,176	\$66,210	\$1.45
+60% TO +70%	9	\$52,435	\$86,311	\$1.56
+70% TO +80%	4	\$16,490	\$28,988	\$1.64
+80% TO +90%	2	\$15,806	\$29,205	\$1.70
+90% TO +100%	7	\$40,177	\$78,327	\$1.70
+100% TO +200%	85	\$102,233	\$938,324	\$1.59
+200% TO +300%	6	\$21,047	\$78,184	\$2.33
OVER 300%	14	\$12,823	\$101,778	\$2.68

I. Cost per Loop Formula for 2006

The Commission has determined in previous orders regarding average schedule HCL payments that a CPL model be used to determine HCL support instead of NECA's model, which is based on expense adjustment data. The CPL model continues to understate correct expense adjustments. NECA is nevertheless offering an updated CPL model as evidence of the increase in average schedule CPLs, and to support the need for increases in payment levels. However, the model represents a biased estimator of expense adjustments.

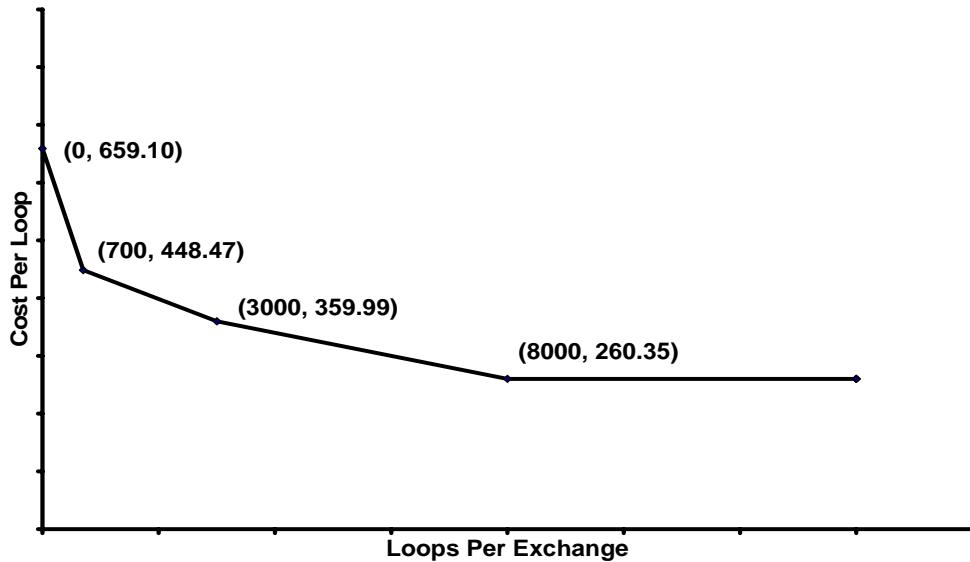
In Appendix B of this filing NECA presents actual HCL data of sample average schedule study areas. This section explains the use of that data to develop a statistical model for calculating CPL values for each study area in the average schedule population.

This model was developed using a ratio estimation method, and by ordinary statistical regression methods, both with weighting to moderate the influence of statistical outliers. NECA has used these methods in average schedule studies since 1998.

The model relates the CPL variable (the dependent variable) to the loops per exchange variable by constrained linear regression. The model reflects the CPL trend of sample companies, which show relatively higher costs associated with lower values of loops per exchange. This trend decreases according to one rate for the smallest study areas, then decreases at a slower rate for midsize average schedule study areas, and finally levels off for the larger study areas. Correspondingly, NECA's CPL model consists of four connected straight lines, representing each of the loops per exchange size groups as described in Section D4.

Exhibit 14

Cost Per Loop Model



To fit the CPL formula to sample company data, NECA first calculated the overall average CPL of study areas with loops per exchange exceeding 8000, using the standard weighted ratio estimation method. This method produced a formula cost per loop for study areas exceeding 8000 loops per exchange (LPE) of \$260.35. This CPL is a good statistical representation of the data of these study areas, which show a consistently flat trend as related to loops per exchange.

$$Cost\ Per\ Loop = \frac{\sum_{ECs>8000LPE} SampleWeight_i \cdot OutlierWeight_i \cdot LoopCost_i \cdot Loops_i}{\sum_{ECs>8000LPE} SampleWeight_i \cdot OutlierWeight_i \cdot Loops_i}$$

Next, NECA used linear regression to solve for other parameters of the model. The regression model is specified as follows (CPL designates the study area's cost per loop).

$$CPL_i = [a_1 + b_1 LPE_i]\delta_{1i} + [a_2 + b_2 LPE_i]\delta_{2i} + [a_3 + b_3 LPE_i]\delta_{3i}$$

where: $\delta_{1i} = 1$, if $LPE_i \leq BP_1$, and $\delta_{1i} = 0$ otherwise.

$\delta_{2i} = 1$, if $BP_1 < LPE_i \leq BP_2$, and $\delta_{2i} = 0$ otherwise.

$\delta_{3i} = 1$, if $BP_2 < LPE_i$, and $\delta_{3i} = 0$ otherwise.

The model is constrained at the breakpoints, BP_1 , BP_2 and *Payment Limit*, so that:

$$\begin{aligned}a_1 + b_1 \cdot BP_1 &= a_2 + b_2 \cdot BP_1 \\a_2 + b_2 \cdot BP_2 &= a_3 + b_3 \cdot BP_2 \\a_3 + b_3 \cdot Payment\ Limit &= a_4 = \$260.35\end{aligned}$$

Following is the resulting model, derived by standard linear regression methods, including outlier weighting as described in Section D4. This model fits the CPL data most accurately, and reflects relationships between high loop cost and loops per exchange.

Exhibit 15

CPL Regression Formula

If number of USF Loops is less than 50,000, and:

If Loops per Exchange is less than 700, then:

$$\text{Cost per Loop} = \$659.107962 - \$0.300916 \cdot \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 700 but less than 3,000, then:

$$\text{Cost per Loop} = \$475.395619 - \$0.038469 \cdot \text{Loops per Exchange}$$

If Loops per Exchange is greater than or equal to 3,000 but less than 8,000, then:

$$\text{Cost per Loop} = \$419.770332 - \$0.019928 \cdot \text{Loops per Exchange}$$

If number of USF loops is greater than or equal to 50,000 or if Loops per Exchange is greater than or equal to 8,000, then:

$$\text{Cost per Loop} = \$260.35$$

J. Support Payments According to the Cost per Loop Formula

NECA evaluated the CPL formula using loop counts and exchange counts data of each average schedule study area. Results are shown in Appendix D to this filing. NECA next used the expense adjustment algorithm with these formula CPL values, and the 2006 capped NACPL of \$319.27, to calculate expense adjustment values for each study area. These values total \$49.99 million, and are shown in Appendix D.

Total payments from the CPL model are lower than the amount to which average schedule study areas are entitled under the Commission's rules. The correct payments to average schedule study areas are calculated based on the expense adjustment formula described in this filing.

K. Conclusion

The HCL formula shown in Exhibit 1 proposed herein has been shown to conform to FCC rules regarding USF reporting, to produce payments consistent with those experienced by similarly situated cost companies as required by the Commission's Part 69 rules, and to yield reasonable changes in payments to average schedule companies. The Commission should approve this formula for implementation on January 1, 2006.

Appendix A
2005 Average Schedule USF Study
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
1	100005	COBBOSEECONTEE TEL. CO.
2	100015	COMMUNITY SERVICE TEL. CO.
3	100019	OXFORD COUNTY TEL. & TELE. CO.
4	100020	PINE TREE TEL. & TELE. CO.
5	100022	SACO RIVER TEL. & TELE. CO.
6	120042	DIXVILLE TEL. CO.
7	120043	DUNBARTON TEL. CO.
8	132454	THE WOODBURY TEL. CO.
9	140053	FRANKLIN TEL. CO.-VT
10	140064	SHOREHAM TEL. CO., INC.
11	150076	CASSADAGA TEL. CORP.
12	150088	DELHI TELEPHONE COMPANY
13	150112	ONTARIO TELEPHONE COMPANY, INC.
14	150125	STATE TEL. CO.
15	170145	THE BENTLEYVILLE TEL. CO.
16	170151	BUFFALO VALLEY TEL. CO.
17	170156	CITIZENS TEL. CO. OF KECKSBURG
18	170161	COMMONWEALTH TELEPHONE COMPANY
19	170162	THE CONESTOGA TEL. AND TEL. CO.
20	170165	DENVER AND EPHRATA TEL. & TEL. CO.
21	170171	HICKORY TEL. CO.
22	170175	IRONTON TEL. CO.
23	170179	LAUREL HIGHLAND TEL. CO.
24	170191	THE NORTH EASTERN PA. TEL. CO.
25	170193	NORTH PITTSBURGH TEL. CO.
26	170195	ARMSTRONG TEL. CO. NORTH
27	170196	PALMERTON TEL. CO.
28	170197	PENNSYLVANIA TEL. CO.
29	170200	PYMATUNING IND. TEL. CO.
30	170204	SOUTH CANAAN TEL. CO.
31	170210	VENUS TEL. CORP.
32	170215	YUKON-WALTZ TEL. CO.
33	170277	WEST SIDE TEL. CO.-PA
34	190219	BUGGS ISLAND TEL. COOP.
35	190220	BURKE'S GARDEN TEL. CO., INC.
36	190225	CITIZENS TEL. COOP.-VA
37	190226	NTELLOS, INC.
38	190236	NORTH RIVER TEL. COOP.
39	190237	HIGHLAND TEL. COOP.-VA
40	190238	MGW TELEPHONE COMPANY, INC.
41	190239	NEW HOPE TELEPHONE COOPERATIVE
42	190243	PEMBROKE TEL. COOP.
43	190248	SCOTT COUNTY TEL. COOP. INC.
44	190250	SHENANDOAH TEL. CO.
45	190253	VIRGINIA TEL. CO.
46	200258	WAR ACQUISITION CORP. DBA WAR TELEPHONE CO.
47	220324	VALLEY TELEPHONE CO., LLC
48	220364	GEORGIA TEL. CORP.

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Obs	Study Area Code	Study Area Name
49	220375	NELSON-BALL GROUND TEL. CO.
50	220380	PROGRESSIVE RURAL TEL. COOP., INC.
51	220387	FRONTIER COMMUNICATIONS OF GEORGIA, LLC
52	220389	TRENTON TEL. CO.
53	220395	ACCUCOMM TELECOMMUNICATIONS, INC.
54	230478	ELLERBE TEL. CO.
55	230491	NORTH STATE TEL. CO.-NC dba NORTH STATE COMM.
56	230494	PINEVILLE TEL. CO.
57	230495	RANDOLPH TEL. CO.
58	230496	RANDOLPH TEL. MEMB. CORP.
59	230497	PIEDMONT TEL. MEMB. CORP.
60	230500	SERVICE TEL. CO.
61	230501	SKYLINE TEL. MEMB. CORP.
62	230503	SURRY TEL. MEMB. CORP.
63	230505	TRI-COUNTY TEL. MEMB. CORP.-NC
64	230511	YADKIN VALLEY TEL. MEMB. CORP.
65	240515	CHESNEE TEL. CO.
66	240516	CHESTER TEL. CO.-SC
67	240532	LOCKHART TEL. CO., INC.
68	240535	NORWAY TEL. CO., INC.
69	240536	PALMETTO RURAL TEL. COOP., INC.
70	240541	RIDGEWAY TEL. CO., INC.
71	240546	SANDHILL TEL. COOP., INC.
72	250283	BRINDLEE MOUNTAIN TEL. CO.
73	250285	CASTLEBERRY TEL. CO., INC.
74	250301	FRONTIER COMMUNICATIONS OF LAMAR COUNTY, LLC
75	250311	OAKMAN TEL. CO., INC.
76	250312	OTELCO TELEPHONE LLC
77	250322	UNION SPRINGS TEL. CO.
78	260396	BALLARD RURAL TEL. COOP. CORP., INC.
79	260398	BRANDENBURG TEL. CO., INC.
80	260408	GEARHEART COMM. DBA COALFIELDS TEL. CO.
81	260412	LEWISPORT TEL. CO., INC.
82	260414	MOUNTAIN RURAL TEL. COOP. CORP., INC.
83	260417	SALEM TEL. CO.
84	260419	THACKER/GRIGSBY TEL. CO., INC.
85	270428	DELCAMBRE TEL. CO.
86	280451	DECATUR TEL. CO., INC.-MS
87	280460	FRONTIER COMM. OF MISSISSIPPI, INC.
88	280467	SMITHVILLE TEL. CO.
89	287449	MYRTLE TEL. CO., INC.
90	290553	BEN LOMAND RURAL TEL. COOP., INC.
91	290554	BLEDSOE TEL. COOP.
92	290559	CONCORD TEL. EXCHANGE, INC.
93	290565	HIGHLAND TEL. COOP., INC.-TN
94	290570	LORETTO TEL. CO., INC.
95	290584	YORKVILLE TEL. COOP., INC.
96	300585	ARCADIA TEL. CO.

Appendix A
2005 Average Schedule USF Study
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Obs	Study Area Code	Study Area Name
97	300586	THE ARTHUR MUTUAL TEL. CO.
98	300588	AYERSVILLE TEL. CO.
99	300589	BASCOM MUTUAL TEL. CO.
100	300590	BENTON RIDGE TEL. CO.
101	300591	BUCKLAND TELEPHONE COMPANY
102	300594	THE CHAMPAIGN TEL. CO.
103	300604	COLUMBUS GROVE TEL. CO.
104	300609	DOYLESTOWN TEL. CO.
105	300614	FORT JENNINGS TEL. CO.
106	300618	GERMANTOWN INDEPENDENT TEL. CO.
107	300619	GLANDORF TEL. CO., INC.
108	300625	KALIDA TEL. CO., INC.
109	300633	MIDDLE POINT HOME TEL. CO.
110	300634	MINFORD TEL. CO., INC.
111	300639	THE NEW KNOXVILLE TEL. CO.
112	300645	OAKWOOD TEL. CO.
113	300650	THE OTTOVILLE MUTUAL TEL. CO.
114	300651	PATTERSONVILLE TEL. CO.-OH
115	300654	RIDGEVILLE TEL. CO.
116	300656	SHERWOOD MUTUAL TEL. ASSOC.
117	300659	TELEPHONE SERVICE CO.
118	300662	VANLUE TEL. CO.
119	300663	VAUGHNSVILLE TEL. CO., INC.
120	300664	WABASH MUTUAL TEL. CO.
121	310669	ALLENDALE TEL. CO.
122	310675	BARAGA TEL. CO.
123	310676	BARRY COUNTY TEL. CO.
124	310678	BLANCHARD TEL. ASSOC., INC.
125	310688	CLIMAX TEL. CO.
126	310692	DRENTHE TEL. CO.
127	310694	FARMERS MUT. OF CHAPIN DBA CHAPIN TEL. CO.
128	310703	KALEVA TEL. CO.
129	310725	SAND CREEK TEL. CO.
130	310735	WESTPHALIA TEL. CO.
131	320744	CAMDEN TEL. CO., INC.-IN
132	320750	FRONTIER COMM. OF INDIANA, INC.
133	320751	CITIZENS TEL. CORP.-WARREN
134	320756	CRAIGVILLE TEL. CO., INC.
135	320771	GEETINGSVILLE TEL. CO., INC.
136	320777	HOME TEL. CO. OF PITTSBORO, INC.
137	320778	HOME TEL. CO., INC.
138	320790	MONON TEL. CO., INC.
139	320792	MULBERRY COOP. TEL. CO., INC.
140	320796	NEW LISBON TEL. CO., INC.
141	320809	COMM. CORP. OF SOUTHERN INDIANA
142	320816	S & W TEL. CO., INC.
143	320818	SMITHVILLE TEL. CO., INC.
144	320826	SWAYZEE TEL. CO., INC.

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Obs	Study Area Code	Study Area Name
145	320827	SWEETSER RURAL TEL. CO., INC.
146	320829	TIPTON TEL. CO., INC.
147	320830	TRI-COUNTY TEL. CO., INC.-IN
148	320834	WASH. CTY. RURAL TEL. COOP., INC.
149	320837	WEST POINT TEL. CO., INC.
150	320839	YEOMAN TEL. CO., INC.
151	330842	AMERY TELCOM, INC.
152	330843	AMHERST TEL. CO.
153	330846	BALDWIN TELCOM., INC.
154	330847	BELMONT TEL. CO.
155	330848	BERGEN TEL. CO.
156	330849	BLACK EARTH TEL. CO.
157	330850	BLOOMER TEL. CO.
158	330851	BONDUEL TEL. CO.
159	330856	BURLINGTON BRIGHTON & WHEATLAND TEL.
160	330863	CITIZENS TEL. COOP., INC.-WI
161	330865	CLEAR LAKE TEL. CO., INC.-WI
162	330866	COCHRANE COOP. TEL. CO.
163	330868	COON VALLEY FARMERS TEL. CO., INC.
164	330872	CUBA CITY TEL. EXCH. CO.
165	330875	DICKEYVILLE TEL. CO.
166	330879	FARMERS IND. TEL. CO.-WI
167	330880	FARMERS TEL. CO.-WI
168	330881	MID-PLAINS TEL., INC.
169	330889	HAGER TELECOM, INC.
170	330892	HILLSBORO TEL. CO., INC.
171	330896	LAKEFIELD TEL. CO.
172	330899	LA VALLE TEL. COOP.
173	330900	LEMONWEIR VALLEY TEL. CO.
174	330902	LUCK TEL. CO.
175	330905	MANAWA TEL. CO.
176	330914	EASTCOAST TELECOM, INC.
177	330915	MOSINEE TEL. CO.
178	330925	BAYLAND TEL, INC.
179	330930	GRANTLAND TELECOM, INC.
180	330938	NORTHEAST TEL. CO.
181	330942	RICHLAND-GRANT TEL. COOP., INC.
182	330943	RIVERSIDE TELECOM, INC.
183	330944	FRONTIER COMM.-ST. CROIX LLC
184	330945	SCANDINAVIA TEL. CO.
185	330946	SHARON TEL. CO.
186	330949	SIREN TEL. CO., INC.
187	330951	SOMERSET TEL. CO., INC.
188	330955	STATE LONG DISTANCE TEL. CO.
189	330960	TRI-COUNTY TEL. COOP., INC.-WI
190	330962	UNION TEL. CO.
191	330966	VERNON TEL. COOP.
192	330967	FRONTIER COMM. OF VIROQUA LLC

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2005 Average Schedule USF Study
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Obs	Study Area Code	Study Area Name
193	330968	WAUNAKEE TEL. CO.
194	330970	CENTURYTEL OF THE MIDWEST-WI/WAYSIDE
195	330971	WEST WISCONSIN TELCOM COOP., INC.
196	340976	ADAMS TEL. COOP.
197	340983	CAMBRIDGE TEL. CO.-IL
198	340990	CLARKSVILLE MUTUAL TEL. CO.
199	340993	CROSSVILLE TEL. CO.
200	340998	FRONTIER COMM. OF DEPUE, INC.
201	341016	GENESEO TEL. CO.
202	341017	GLASFORD TEL. CO.
203	341021	THE GRANDVIEW MUTUAL TEL. CO.
204	341024	HAMILTON COUNTY TELEPHONE CO-OP
205	341029	HENRY COUNTY TEL. CO.
206	341041	KINSMAN MUTUAL TEL. CO.
207	341046	LEONORE MUTUAL TEL. CO.
208	341050	MARSEILLES TEL. CO. OF MARS.
209	341053	METAMORA TEL. CO.
210	341054	MID CENTURY TEL. COOP., INC.
211	341062	NEW WINDSOR TEL. CO.
212	341075	REYNOLDS TEL. CO.
213	341086	TONICA TEL. CO.
214	341087	VIOLA HOME TEL. CO.
215	341092	STELLE TEL. CO.
216	351097	ANDREW TEL. CO., INC.
217	351098	ARCADIA TEL. COOP.
218	351101	ATKINS TEL. CO.
219	351107	BALDWIN-NASHVILLE TEL. CO., INC.
220	351108	BARNES CITY COOP. TEL. CO.
221	351112	BREDA TEL. COOP.
222	351113	BROOKLYN MUTUAL TEL. CO.
223	351114	THE BURT TEL. CO.
224	351115	BUTLER-BREMER MUT. TEL. CO.
225	351118	CASCADE COMMUNICATIONS COMPANY
226	351119	CASEY MUTUAL TEL. CO.
227	351121	CENTER JUNCTION TEL. CO., INC.
228	351125	CENTRAL SCOTT TEL.
229	351126	CenturyTel of Chester, Inc.
230	351130	CLARENCE TEL. CO., INC.
231	351133	C-M-L TEL. COOP. ASSN.
232	351136	COON CREEK TEL. CO.
233	351137	COON VALLEY COOP. TEL. ASSN., INC.
234	351139	COOP. TEL. CO.
235	351141	CORN BELT TEL. CO.
236	351146	CUMBERLAND TEL. CO.
237	351147	DANVILLE MUT. TEL. CO.
238	351149	FARMERS MUTUAL COOPERATIVE TELEPHONE COMPANY
239	351150	DIXON TEL. CO.
240	351152	DUMONT TEL. CO.

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Obs	Study Area Code	Study Area Name
241	351153	DUNKERTON TEL. COOP., INC.
242	351157	ELLSWORTH COOP. TEL. ASSN.
243	351160	FARMERS & BUSINESSMEN'S TEL. CO.
244	351162	FARMERS COOP. TEL. CO.-DYSART
245	351166	FARMERS & MERCHANTS MUTUAL TEL. CO.
246	351168	FARMERS MUTUAL COOP TEL CO- HARLAN
247	351169	FARMERS MUTUAL COOP. TEL. CO.-MOULTON
248	351171	FARMERS MUTUAL TEL. CO.-JESUP
249	351172	FARMERS MUTUAL TEL. CO.-NORA SPRINGS
250	351173	FARMERS MUTUAL TEL. COOP.-SHELLSBURG
251	351174	FARMERS MUTUAL TEL. CO.-STANTON
252	351175	FARMERS TEL. CO.-BATAVIA
253	351176	FARMERS TEL. CO.-ESSEX
254	351177	FARMERS TEL. CO.-RICEVILLE
255	351179	FENTON COOP. TEL. CO.
256	351187	PARTNER COMMUNICATIONS COOPERATIVE
257	351188	GOLDFIELD TEL. CO.
258	351189	RIVER VALLEY TELECOMMUNICATIONS COOP.
259	351191	GRAND MOUND COOP. TEL. ASSN.
260	351195	GRISWOLD COOP. TEL. CO.
261	351199	HAWKEYE TEL. CO.
262	351202	HOSPERS TEL. EXCHANGE, INC.
263	351203	HUBBARD COOP. TEL. ASSN.
264	351205	HUXLEY COMMUNICATIONS COOPERATIVE
265	351206	IAMO TEL. CO.-IA
266	351209	INTERSTATE 35 TEL. CO. DBA INTERSTATE COMM.
267	351212	JEFFERSON TEL. CO.-IA
268	351213	JORDAN SOLDIER VALLEY TELEPHONE COMPANY
269	351217	KEYSTONE FRMS. COOP. TEL. CO.
270	351220	LA PORTE CITY TEL. CO.
271	351222	LA MOTTE TEL. CO.
272	351223	LAUREL TEL. CO., INC.
273	351225	LEHIGH VALLEY COOP. TEL. ASSN.
274	351228	LONE ROCK COOP. TEL. CO.
275	351230	NORTHEAST IOWA TEL. CO.
276	351232	LYNNVILLE TELEPHONE COMPANY
277	351235	FARMERS MUTUAL COOPERATIVE TELEPHONE COMPANY
278	351237	MARNE & ELK HORN TEL. CO.
279	351238	MARTELLE COOP. TEL. ASSN.
280	351239	MASSENA TEL. CO.
281	351241	MECHANICSVILLE TEL. CO.
282	351242	MILES COOP. TEL. ASSN.
283	351243	MILLER TEL. CO.-IA
284	351245	MINBURN TEL. CO.
285	351246	MINERVA VALLEY TEL. CO., INC.
286	351247	MODERN COOP. TEL. CO.
287	351248	MONTEZUMA MUTUAL TEL. CO.
288	351250	MUTUAL TEL. CO. OF MORNING SUN

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2005 Average Schedule USF Study
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
289	351251	MEDIAPOLIS TEL. CO.
290	351252	MUTUAL TEL. CO.
291	351257	NORTH ENGLISH COOP. TEL. CO.
292	351259	NORTHERN IOWA TEL. CO.
293	351260	NORTHWEST IOWA TEL. CO., INC.
294	351261	NORTHWEST TEL. COOP.
295	351262	COMMUNICATIONS 1 NETWORK, INC.
296	351263	OGDEN TEL. CO.-IA
297	351264	OLIN TEL. CO., INC.
298	351265	ONSLOW COOP. TEL. ASSN.
299	351266	ORAN MUTUAL TEL. CO.
300	351269	PALO COOP. TEL. ASSN.
301	351270	PALMER MUTUAL TEL. CO.
302	351271	PANORA COMMUNICATIONS COOPERATIVE
303	351273	PEOPLES TEL. CO.-IA
304	351274	CENTURYTEL OF POSTVILLE, INC.
305	351275	PRAIRIEBURG TEL. CO., INC.
306	351276	PRESTON TEL. CO.
307	351277	RADCLIFFE TEL. CO., INC.
308	351278	READLYN TEL. CO.
309	351280	RINGSTED TEL. CO.
310	351282	ROCKWELL COOP. TEL. ASSN.
311	351283	ROYAL TEL. CO.
312	351284	RUTHVEN TEL. EXCH. CO.
313	351285	SAC COUNTY MUTUAL TEL. CO.
314	351291	SCHALLER TEL. CO.
315	351292	SEARSBORO TEL. CO.
316	351293	SHARON TEL. CO.
317	351294	SCRANTON TEL. CO.
318	351297	HEART OF IOWA COMMUNICATIONS COOP.
319	351298	SOUTH SLOPE COOP. TEL. CO.
320	351301	SOUTHWEST TEL. EXCH., INC.
321	351302	SPRINGVILLE COOP. TEL. ASSN.
322	351303	COOPERATIVE TEL. EXCHANGE
323	351304	SWISHER TEL. CO.
324	351305	STRATFORD MUTUAL TEL. CO.
325	351306	SULLY TEL. ASSOC.
326	351307	SUPERIOR TEL. COOP.
327	351308	TEMPLETON TEL. CO.
328	351309	TERRIL TELEPHONE COOPERATIVE
329	351310	TITONKA TEL. CO.
330	351319	VAN BUREN TEL. CO., INC.
331	351320	VAN HORNE COOP. TEL. CO.
332	351322	VENTURA TEL. CO., INC.
333	351324	VILLISCA FARMERS TEL. CO.
334	351326	WALNUT TEL. CO.
335	351328	WEBSTER-CALHOUN COOP. TEL. ASSN.
336	351329	WELLMAN COOP. TEL. ASSN.

Appendix A
2005 Average Schedule USF Study
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Obs	Study Area Code	Study Area Name
337	351331	WEST IOWA TEL. CO.
338	351332	WEST LIBERTY TEL. CO.
339	351334	WESTERN IOWA TEL. ASSN.
340	351335	WESTSIDE INDP. TEL. CO.
341	351336	WILTON TEL. CO.
342	351337	WINNEBAGO COOP. TEL. ASSN.-IA
343	351342	WOOLSTOCK MUT. TEL. ASSN.
344	351343	WYOMING MUTUAL TEL. CO.
345	351344	PRAIRIE TEL. CO., INC.
346	351405	HILLS TEL. CO., INC.-IA
347	351407	KILLDUFF TELEPHONE COMPANY
348	351424	MABEL COOP. TEL. CO.-IA
349	361337	WINNEBAGO COOP. TEL. ASSN.-MN
350	361347	ALBANY MUTUAL TEL. ASSN., INC.
351	361348	WILDERNESS VALLEY TELEPHONE COMPANY, INC.
352	361353	CITY OF BARNESVILLE TEL. CO.
353	361356	BENTON COOP. TEL. CO.
354	361358	BLUE EARTH VALLEY TEL. CO.
355	361362	BRIDGEWATER TEL. CO.
356	361365	CALLAWAY TEL. CO.
357	361372	CLEMENTS TEL. CO.
358	361373	CONSOLIDATED TEL. CO.-MN
359	361375	MID-COMMUNICATIONS, INC. dba HICKORYTECH
360	361380	DELAVAL TEL. CO.
361	361381	DUNNELL TEL. CO., INC.
362	361384	EASTON TEL. CO.
363	361389	FARMERS MUTUAL TEL. CO.-BELLINGHAM
364	361390	FEDERATED TEL. COOP.
365	361396	GARDONVILLE COOP. TEL. ASSN.
366	361401	HALSTAD TEL. CO.
367	361403	FEDERATED UTILITIES, INC. DBA HANCOCK TEL. CO
368	361404	HARMONY TEL. CO.
369	361405	HILLS TEL. CO., INC.-MN
370	361408	HOME TEL. CO.-MN
371	361409	HUTCHINSON TELEPHONE COMPANY
372	361412	KASSON & MANTORVILLE TEL. CO.
373	361413	MID STATE TEL. CO. DBA KMP TEL. CO.
374	361419	LISMORE COOPERATIVE TELEPHONE CO.
375	361422	LONSDALE TELEPHONE COMPANY
376	361423	LOWRY TELEPHONE COMPANY, LLC
377	361424	MABEL COOPERATIVE TELEPHONE CO.- MN
378	361425	CHRISTENSEN COMM. CO. DBA MADELIA TEL. CO.
379	361426	MANCHESTER-HARTLAND TELEPHONE CO.
380	361427	MANKATO CITIZENS TELEPHONE CO dba HICKORYTECH
381	361430	MELROSE TELEPHONE COMPANY
382	361431	MIDWEST TEL. CO.
383	361439	MINNESOTA VALLEY TEL. CO. INC.
384	361440	CANNON VALLEY TELECOM, INC.

Appendix A
2005 Average Schedule USF Study
Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
385	361443	LORETEL SYSTEMS, INC.
386	361448	OSAKIS TELEPHONE COMPANY
387	361450	PARK REGION MUTUAL TEL. CO.
388	361472	REDWOOD COUNTY TEL. CO.
389	361474	ROTHSAY TELEPHONE COMPANY INC.
390	361475	RUNESTONE TEL. ASSN.
391	361476	SACRED HEART TEL. CO.
392	361479	SCOTT RICE TEL. CO. dba INTEGRA TELECOM
393	361482	SHERBURNE COUNTY RURAL TEL. CO.
394	361485	SPRING GROVE COOP TEL CO
395	361487	STARBUCK TEL. CO.
396	361494	UPSALA COOPERATIVE TELEPHONE ASSN.
397	361495	VALLEY TEL. CO.-MN
398	361499	CROSSLAKE TELEPHONE COMPANY
399	361500	NORTHERN TELEPHONE COMPANY OF MN
400	361502	WESTERN TELEPHONE COMPANY
401	361505	WIKSTROM TELEPHONE COMPANY INC.
402	361507	WINSTED TELEPHONE COMPANY
403	361508	WINTHROP TEL. CO.
404	361510	WOODSTOCK TELEPHONE COMPANY
405	361512	WOLVERTON TELEPHONE COMPANY
406	361515	ZUMBROTA TELEPHONE COMPANY
407	361654	INTERSTATE TELECOMMUNICATIONS COOP., INC.-MN
408	371530	CONSOLIDATED TELCO, INC.
409	371532	CONSOLIDATED TELEPHONE COMPANY- NE
410	371555	HAMILTON TELEPHONE COMPANY
411	371556	HARTINGTON TEL. CO.
412	371561	HERSHEY COOPERATIVE TELEPHONE CO
413	371562	CONSOLIDATED TELECOM, INC.
414	371563	HOOPER TELEPHONE COMPANY
415	371565	K & M TELEPHONE COMPANY INC.
416	371581	PIERCE TELEPHONE COMPANY
417	371582	PLAINVIEW TELEPHONE COMPANY INC.
418	371590	SODTOWN TEL. CO.
419	381509	WOLVERTON TEL. CO.
420	381601	ABSARAKA COOP TELEPHONE CO.
421	381614	POLAR TELECOMMUNICATIONS, INC.
422	381615	GRIGGS COUNTY TELEPHONE COMPANY
423	381622	MOORE & LIBERTY TELEPHONE COMPANY
424	381623	NOONAN FARMERS TELEPHONE COMPANY
425	381625	NORTHWEST COMMUNICATIONS COOPERATIVE
426	381631	RED RIVER RURAL TEL. ASSN.
427	381638	MIDSTATE COMMUNICATIONS INC.
428	383303	SRT COMMUNICATIONS, INC.
429	391640	ARMOUR INDEPENDENT TELEPHONE CO.
430	391642	ALLIANCE COMMUNICATIONS COOP., INC. (BALTIC)
431	391649	BERESFORD MUNICIPAL TEL. CO.
432	391650	CITY OF BROOKINGS MUNICIPAL TEL. DEPT.

Appendix A
 2005 Average Schedule USF Study
 Study Area Code / Study Area Name

Obs	Study Area Code	Study Area Name
433	391653	CITY OF FAITH MUNICIPAL TEL CO
434	391654	INTERSTATE TELECOMMUNICATIONS COOP., INC.
435	391657	ALLIANCE COMMUNICATIONS COOP. INC (SPLITROCK)
436	391660	FORT RANDALL TEL. CO. DBA MT. RUSHMORE TEL CO
437	391664	JAMES VALLEY COOPERATIVE TEL CO
438	391669	MCCOOK COOPERATIVE TELEPHONE CO.
439	391671	WEST RIVER TELECOMMUNICATIONS COOP.(MOBRIDGE)
440	391674	ROBERTS COUNTY TEL. COOP. ASSN.
441	391677	SIOUX VALLEY TELEPHONE COMPANY
442	391682	TRI-COUNTY TELCOM, INC.
443	391684	UNION TELEPHONE COMPANY
444	391688	WESTERN TELEPHONE COMPANY
445	401710	MAGAZINE TELEPHONE COMPANY
446	401712	MOUNTAIN VIEW TELEPHONE COMPANY
447	401722	E. RITTER TELEPHONE COMPANY
448	421206	IAMO TELEPHONE COMPANY - MO
449	421759	CRAW-KAN TELEPHONE COOP INC - MO
450	421860	ALMA COMMUNICATIONS COMPANY DBA ALMA TEL. CO.
451	421876	FARBER TELEPHONE COMPANY
452	421893	CHOCTAW TELEPHONE COMPANY
453	421900	KLM TEL. CO.
454	421932	LATHROP TELEPHONE COMPANY
455	421936	PEACE VALLEY TELEPHONE CO.
456	421942	ROCK PORT TEL. CO.
457	431704	LAVACA TELEPHONE CO.- OK
458	431968	BEGGS TELEPHONE COMPANY
459	432141	SANTA ROSA TELEPHONE COOP. INC.
460	442038	BLOSSOM TELEPHONE COMPANY
461	442043	NORTH TEXAS TELEPHONE COMPANY
462	442107	LIVINGSTON TELEPHONE COMPANY
463	462198	PINE DRIVE TEL. CO.
464	462206	STONEHAM COOPERATIVE TEL. CO.
465	462210	WILLARD TEL. CO.
466	472227	MUD LAKE TELEPHONE COOPERATIVE ASSN. INC.
467	482252	RONAN TEL. CO.
468	502279	GUNNISON TEL. CO.
469	502282	MANTI TELEPHONE COMPANY
470	502283	SKYLINE TELECOM
471	522430	MCDANIEL TELEPHONE COMPANY
472	532386	MT. ANGEL TELEPHONE COMPANY
473	532396	ST. PAUL COOP. TEL. ASSN.
474	532399	STAYTON COOP. TEL CO
475	613005	CIRCLE UTILITIES
476	613026	NORTH COUNTRY TELEPHONE COMPANY

Appendix B
2005 Average Schedule USF Study
Sample Average Schedule Study Areas - Cost per Loop Data

	Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
1	100020	7127	3	1.0000	270.87
2	100022	9907	3	2.9106	278.47
3	120042	573	1	3.0000	125.67
4	120043	1754	1	0.5000	440.11
5	120043	1754	1	3.0000	440.11
6	150125	8544	2	1.0000	233.19
7	170151	21984	2	1.0000	186.18
8	170156	5263	1	1.0000	349.63
9	170161	324122	79	1.0000	240.54
10	170162	58436	10	1.0000	168.49
11	170171	1278	1	2.5000	349.59
12	170175	5429	1	1.0000	362.55
13	170193	74744	8	1.0000	281.46
14	170196	12201	4	1.0000	315.94
15	170197	1382	1	1.0000	288.13
16	170204	3154	2	3.0438	416.35
17	170210	1372	1	1.0000	396.77
18	170215	1012	1	2.5000	478.44
19	190226	36762	4	1.0000	227.71
20	190238	1605	5	3.2845	668.88
21	190243	2975	2	2.5000	303.62
22	190248	6268	6	1.0000	522.62
23	190250	24805	9	1.0000	336.15
24	190253	2490	1	1.0000	377.67
25	200258	1574	1	0.5000	411.47
26	220375	8166	3	1.0000	494.72
27	230491	122230	3	1.0000	330.67
28	230495	4569	1	2.6425	422.24
29	230496	10124	7	3.3684	373.97
30	230503	15018	6	2.5633	425.28
31	230511	30922	10	1.0000	372.86
32	240516	17983	3	1.0000	427.95
33	240546	16624	7	1.0000	375.61
34	250283	12495	3	1.0000	311.58
35	250312	7543	1	1.0000	250.12
36	250322	4503	4	1.0000	589.24
37	260398	28553	8	1.0000	242.40
38	260414	16115	7	1.5000	543.47
39	260419	8226	6	1.0000	380.65
40	270428	1580	1	1.2500	380.32
41	290553	35645	17	1.0000	455.82
42	290554	11965	5	1.5000	566.53
43	290559	23154	1	1.0000	348.52
44	290565	26851	10	1.0000	461.22
45	300586	1400	1	2.5000	386.75
46	300588	1159	1	2.5000	387.13

Appendix B
2005 Average Schedule USF Study
Sample Average Schedule Study Areas - Cost per Loop Data

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
47	300589	680	1	3.2431
48	300594	11479	2	1.0000
49	300604	1859	1	2.5000
50	300609	4026	1	1.0000
51	300664	1304	1	2.5000
52	310669	5577	1	2.5000
53	310675	4872	4	1.0000
54	310688	1612	1	1.0000
55	310694	695	1	2.7339
56	310735	1210	1	3.3234
57	320750	2582	1	2.5000
58	320771	715	1	3.0940
59	320778	2357	1	2.5000
60	320790	1820	1	2.5000
61	320809	1973	3	3.0181
62	320818	31424	12	1.0000
63	320829	5354	1	2.5000
64	320830	4366	4	3.0407
65	330842	7192	3	1.0000
66	330847	891	1	3.2060
67	330850	3432	1	2.5000
68	330851	2162	1	2.5000
69	330872	1917	1	2.5000
70	330875	1282	1	2.5000
71	330879	3295	3	5.0666
72	330880	6960	4	4.3996
73	330881	34379	2	1.0000
74	330892	1744	1	2.5000
75	330900	3570	2	3.3230
76	330914	6674	5	4.7532
77	330925	2384	1	2.5000
78	330944	10138	2	1.0000
79	330945	3067	2	2.8287
80	330949	2808	1	2.5000
81	330955	10890	1	1.0000
82	330968	7715	1	1.0000
83	330971	6311	6	2.5000
84	340976	4474	13	2.7341
85	340983	1806	2	3.4046
86	340990	236	1	6.7916
87	340993	677	1	3.0559
88	341016	7912	2	1.0000
89	341017	1360	1	2.5000
90	341021	97	1	2.5000
91	341029	1530	2	3.6824
92	341046	170	1	2.5000

Appendix B
2005 Average Schedule USF Study
Sample Average Schedule Study Areas - Cost per Loop Data

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
93	341053	4169	2	5.8865
94	341054	4526	13	4.6658
95	341062	639	1	3.1113
96	341075	565	1	3.3725
97	351097	353	1	3.9543
98	351101	801	1	3.1525
99	351107	350	1	4.2991
100	351115	2038	4	3.5913
101	351126	215	2	2.5000
102	351130	824	1	2.8793
103	351141	780	1	2.9024
104	351147	1004	1	2.5000
105	351157	710	2	3.3948
106	351162	1486	2	3.8783
107	351169	476	1	3.2177
108	351172	2381	4	4.0175
109	351173	2623	4	2.5000
110	351177	1692	4	4.9555
111	351187	1456	2	4.4843
112	351188	571	1	1.0000
113	351203	831	1	2.6588
114	351205	1840	2	2.6394
115	351209	1411	3	2.5000
116	351212	3452	1	1.0000
117	351213	603	2	1.0000
118	351217	1016	3	2.7949
119	351225	1957	4	3.3230
120	351241	873	1	2.9484
121	351245	458	1	3.8816
122	351246	855	2	3.1013
123	351248	2255	2	2.5445
124	351250	642	1	3.4142
125	351260	9094	3	1.0000
126	351263	1823	1	2.5000
127	351266	288	1	5.3314
128	351274	1811	1	1.0000
129	351275	221	1	5.2330
130	351276	1318	2	4.7795
131	351283	474	1	1.0000
132	351285	1116	2	2.6500
133	351291	1774	4	1.0000
134	351292	663	1	1.0000
135	351294	569	1	4.4992
136	351295	1058	1	1.0000
137	351298	14023	6	1.0000
138	351304	986	1	2.5000

Appendix B
2005 Average Schedule USF Study
Sample Average Schedule Study Areas - Cost per Loop Data

Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
139	351306	2643	2	3.1957
140	351308	388	1	3.5929
141	351309	456	1	1.0000
142	351320	637	1	1.0000
143	351329	1410	1	2.6509
144	351331	5309	6	1.0000
145	351335	365	1	3.3330
146	351337	7278	16	1.5000
147	351344	1048	3	4.1958
148	351405	2096	7	1.0000
149	361358	7672	7	1.0000
150	361362	8726	2	1.0000
151	361372	205	1	3.2950
152	361375	10241	11	1.0000
153	361384	290	1	1.0000
154	361396	3203	4	2.6878
155	361408	1895	3	3.0532
156	361409	13123	1	1.0000
157	361423	892	1	2.6072
158	361427	36635	1	1.0000
159	361430	10861	8	2.7347
160	361437	564	1	1.0000
161	361448	1924	1	2.5000
162	361450	4824	6	5.1139
163	361474	515	1	3.5209
164	361479	18086	3	1.0000
165	361482	14663	4	1.0000
166	361495	756	2	1.0000
167	361499	2645	1	2.5000
168	361500	34	1	2.5000
169	361505	6513	18	1.5000
170	361507	1872	1	2.5000
171	361508	1157	1	3.0185
172	361515	2233	1	2.5000
173	371530	1679	5	0.5000
174	371530	1679	5	3.0000
175	371556	1655	1	0.5000
176	371562	1344	3	3.0000
177	371563	1224	2	3.0000
178	371565	672	2	2.9026
179	371581	1978	2	1.2500
180	381615	2018	4	3.6249
181	381623	221	1	1.0000
182	381625	5223	15	3.1032
183	381638	1057	3	4.8838
184	383303	43568	25	1.0000

Appendix B
2005 Average Schedule USF Study
Sample Average Schedule Study Areas - Cost per Loop Data

	Study Area Code	Actual USF Loop Count	Exchange Count	Sample Weight	Actual Cost per Loop
185	391650	13237	1	0.5000	264.79
186	391650	13237	1	3.0000	264.79
187	391657	6709	5	0.5000	437.00
188	391664	3913	14	0.5000	784.09
189	391669	2169	6	0.5000	686.49
190	391669	2169	6	3.0000	686.49
191	391671	2641	1	1.2500	377.36
192	391677	5675	8	0.5000	435.06
193	391688	1070	3	3.0000	595.48
194	401704	1823	1	1.0000	704.90
195	401712	7460	8	1.0000	277.27
196	421860	346	1	3.7156	685.02
197	421900	1624	4	2.5000	433.18
198	431704	1431	1	0.5000	439.75
199	442038	1457	1	0.5000	318.24
200	442043	927	2	3.0000	493.34
201	442107	7765	1	0.5000	447.27
202	442107	7765	1	3.0000	447.27
203	462198	918	1	1.3435	652.09
204	472227	1604	5	3.0000	386.40
205	532386	1965	1	2.5000	328.10
206	532399	7587	1	1.0000	445.27

Appendix C
2005 Average Schedule USF Study
Comparison of Current and Proposed Monthly HCL Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Formula Exp. Adj.	Reduction Limit Exp. Adj.	Proposed Total Exp. Adj	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Diff.	Payment Percent Difference
1	100005	927	1	927	3,648	9,568	0	9,568	452.35	4,278	0.76	17.27
2	100015	11889	7	1698	0	97,874	0	97,874	418.92	33,331	2.80	100.00
3	100019	6528	6	1088	20,472	64,532	0	64,532	445.37	27,654	1.17	35.08
4	100020	7170	3	2390	0	45,580	0	45,580	388.91	8,448	1.18	100.00
5	100022	9691	3	3230	0	43,490	0	43,490	358.85	0	0.00	0.00
6	120042	339	1	339	3,301	5,401	0	5,401	542.11	3,391	4.46	2.73
7	120043	1780	1	1780	0	14,258	0	14,258	415.36	4,647	2.61	100.00
8	132454	24451	1	24946	0	0	0	0	260.35	0	0.00	0.00
9	140053	901	1	901	3,669	9,363	0	9,363	453.48	4,213	0.54	14.83
10	140064	3735	6	623	20,202	44,829	0	44,829	479.24	22,685	0.70	12.29
11	150076	1497	1	1497	1,527	13,139	0	13,139	427.63	4,904	2.29	221.15
12	150088	5619	2	2810	0	29,324	0	29,324	370.70	1,078	0.19	100.00
13	150112	4903	2	2452	0	30,345	0	30,345	386.22	5,063	1.03	100.00
14	150125	8687	2	4344	0	29,880	0	29,880	339.50	0	0.00	0.00
15	170145	3246	1	3246	0	14,518	0	14,518	358.57	0	0.00	0.00
16	170151	22258	2	11129	0	0	0	0	260.35	0	0.00	0.00
17	170156	5213	1	5213	0	13,669	0	13,669	324.41	0	0.00	0.00
18	170161	320200	79	4053	0	0	0	0	260.35	0	0.00	0.00
19	170162	59012	10	5901	0	0	0	0	260.35	0	0.00	0.00
20	170165	57956	6	9659	0	0	0	0	260.35	0	0.00	0.00
21	170171	1328	1	1328	2,550	12,264	0	12,264	434.96	4,877	1.80	91.25
22	170175	5566	1	5566	0	12,746	0	12,746	318.28	0	0.00	0.00
23	170179	6150	2	3075	0	28,496	0	28,496	361.34	0	0.00	0.00
24	170191	12398	8	1550	10,328	107,037	0	107,037	425.34	39,067	2.34	278.26
25	170193	74007	8	9251	0	0	0	0	260.35	0	0.00	0.00
26	170195	525	1	525	3,297	7,013	0	7,013	500.93	3,901	1.48	18.32
27	170196	13256	4	3314	0	58,440	0	58,440	357.39	0	0.00	0.00
28	170197	1417	1	1417	2,255	12,744	0	12,744	431.10	4,908	1.88	117.65
29	170200	2245	1	2245	0	15,154	0	15,154	395.20	3,410	1.52	100.00
30	170204	3112	2	1556	2,071	26,817	0	26,817	425.07	9,762	2.50	371.37
31	170210	1419	1	1419	2,160	12,755	0	12,755	431.02	4,908	1.96	127.22
32	170215	985	1	985	3,575	10,012	0	10,012	449.83	4,411	0.97	23.38
33	170277	41	1	41	493	822	47	869	626.25	626	3.81	26.98

Appendix C
2005 Average Schedule USF Study
Comparison of Current and Proposed Monthly HCL Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Formula Exp. Adj.	Reduction Limit Exp. Adj.	Proposed Total Exp. Adj	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Diff.	Payment Percent Difference
34	190219	4209	2	2105	0	30,007	0	30,007	401.27	7,777	1.85	100.00
35	190220	159	1	159	1,589	2,929	0	2,929	581.96	1,987	2.24	25.05
36	190225	7463	5	1493	9,608	65,584	0	65,584	427.81	24,516	1.99	155.16
37	190226	35894	4	8974	0	0	0	0	260.35	0	0.00	0.00
38	190236	1100	1	1100	3,428	10,838	0	10,838	444.85	4,629	1.10	35.04
39	190237	1430	3	477	9,683	20,052	0	20,052	511.56	11,574	1.28	19.53
40	190238	1707	5	341	14,008	27,149	0	27,149	541.67	17,028	1.71	21.56
41	190239	995	1	995	3,597	10,087	0	10,087	449.40	4,432	0.86	23.21
42	190243	2980	2	1490	3,476	26,212	0	26,212	427.94	9,810	2.15	182.22
43	190248	6335	6	1056	20,998	63,174	0	63,174	446.75	27,312	1.03	30.07
44	190250	25248	9	2805	0	132,107	0	132,107	370.92	5,138	0.20	100.00
45	190253	2295	1	2295	0	15,180	0	15,180	393.03	3,216	1.40	100.00
46	200258	1530	1	1530	1,291	13,292	0	13,292	426.20	4,893	2.38	279.01
47	220324	4726	1	4726	0	14,557	0	14,557	332.87	0	0.00	0.00
48	220364	7437	4	1859	0	57,979	0	57,979	411.94	18,037	2.43	100.00
49	220375	7998	3	2666	0	44,861	0	44,861	376.95	4,239	0.53	100.00
50	220380	5723	6	954	21,831	58,653	0	58,653	451.18	26,045	0.76	19.30
51	220387	24380	2	12190	0	0	0	0	260.35	0	0.00	0.00
52	220389	7151	3	2384	0	45,575	0	45,575	389.17	8,526	1.19	100.00
53	220395	4599	3	1533	2,697	39,917	0	39,917	426.07	14,676	2.64	444.16
54	230478	2397	1	2397	0	15,192	0	15,192	388.61	2,785	1.16	100.00
55	230491	120706	3	40235	0	0	0	0	260.35	0	0.00	0.00
56	230494	1940	1	1940	0	14,698	0	14,698	408.42	4,336	2.24	100.00
57	230495	4670	1	4670	0	14,631	0	14,631	333.84	0	0.00	0.00
58	230496	10342	7	1477	11,957	91,333	0	91,333	428.50	34,362	2.20	187.38
59	230497	3368	2	1684	479	27,854	0	27,854	419.52	9,553	2.70	1894.36
60	230500	1301	1	1301	2,912	12,110	0	12,110	436.13	4,860	1.46	66.90
61	230501	36567	12	3047	0	170,394	0	170,394	361.76	0	0.00	0.00
62	230503	15314	6	2552	0	90,628	0	90,628	381.89	12,216	0.80	100.00
63	230505	3688	3	1229	8,899	35,048	0	35,048	439.25	14,402	1.56	61.84
64	230511	31062	10	3106	0	143,018	0	143,018	360.87	0	0.00	0.00
65	240515	5466	1	5466	0	13,032	0	13,032	320.01	0	0.00	0.00
66	240516	17779	3	5926	0	34,693	0	34,693	312.03	0	0.00	0.00

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67	240532	672	1	672	3,515	7,610	0	7,610	468.39	3,685	0.45	4.84
68	240535	872	1	872	3,669	9,131	0	9,131	454.73	4,136	0.59	12.73
69	240536	14630	6	2438	0	91,100	0	91,100	386.83	15,588	1.07	100.00
70	240541	2241	1	2241	0	15,151	0	15,151	395.37	3,425	1.53	100.00
71	240546	16908	7	2415	0	106,339	0	106,339	387.83	18,928	1.12	100.00
72	250283	12211	3	4070	0	45,149	0	45,149	344.26	0	0.00	0.00
73	250285	1046	1	1046	3,465	10,459	0	10,459	447.19	4,534	1.14	30.85
74	250301	2293	2	1147	6,314	22,301	0	22,301	442.81	9,396	1.48	48.81
75	250311	2566	4	642	13,854	30,123	0	30,123	475.03	14,993	0.68	8.22
76	250312	7524	1	7524	0	3,371	0	3,371	284.27	0	0.00	0.00
77	250322	4767	4	1192	13,000	45,780	0	45,780	440.86	19,030	1.23	46.38
78	260396	6974	7	996	25,002	70,680	0	70,680	449.36	31,050	0.95	24.19
79	260398	27941	8	3493	0	118,475	0	118,475	354.28	0	0.00	0.00
80	260408	6764	3	2255	0	45,473	0	45,473	394.77	10,114	1.50	100.00
81	260412	1508	1	1508	935	13,191	0	13,191	427.16	4,901	2.68	424.17
82	260414	16275	7	2325	0	106,327	0	106,327	391.73	21,660	1.33	100.00
83	260417	2192	1	2192	0	15,111	0	15,111	397.50	3,602	1.64	100.00
84	260419	8185	6	1364	14,531	74,790	0	74,790	433.40	29,367	1.85	102.10
85	270428	1313	1	1313	849	12,179	0	12,179	435.61	4,868	3.19	473.38
86	280451	2046	1	2046	0	14,914	0	14,914	403.83	4,064	1.99	100.00
87	280460	6344	4	1586	2,558	54,151	0	54,151	423.77	19,454	2.69	660.52
88	280467	1162	1	1162	2,679	11,254	0	11,254	442.16	4,721	2.06	76.22
89	287449	950	1	950	3,629	9,746	0	9,746	451.35	4,332	0.82	19.37
90	290553	36139	17	2126	0	255,591	0	255,591	400.36	64,987	1.80	100.00
91	290554	12559	5	2512	0	75,685	0	75,685	383.62	11,199	0.89	100.00
92	290559	23243	1	23243	0	0	0	0	260.35	0	0.00	0.00
93	290565	27906	10	2791	0	147,073	0	147,073	371.53	6,597	0.24	100.00
94	290570	6073	5	1215	14,402	57,944	0	57,944	439.86	23,915	1.70	66.05
95	290584	1892	4	473	13,103	26,635	0	26,635	512.45	15,418	1.72	17.67
96	300585	823	1	823	3,667	8,727	0	8,727	456.86	3,999	0.79	9.05
97	300586	1356	1	1356	2,363	12,420	0	12,420	433.75	4,891	1.92	106.98
98	300588	1171	1	1171	3,188	11,312	0	11,312	441.77	4,732	1.38	48.43
99	300589	772	1	772	3,520	8,293	0	8,293	459.07	3,843	-0.04	9.18

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100	300590	1222	3	407	9,344	18,319	0	18,319	527.06	11,074	1.70	18.51
101	300591	712	1	860	3,670	7,478	0	7,478	455.25	3,397	0.57	-7.44
102	300594	11101	2	5551	0	25,578	0	25,578	318.54	0	0.00	0.00
103	300604	1854	1	1854	0	14,479	0	14,479	412.15	4,518	2.44	100.00
104	300609	4026	1	4026	0	15,052	0	15,052	345.02	0	0.00	0.00
105	300614	935	1	935	3,639	9,631	0	9,631	452.00	4,297	0.80	18.08
106	300618	4197	1	4197	0	15,017	0	15,017	342.05	0	0.00	0.00
107	300619	1101	1	1101	2,896	10,845	0	10,845	444.80	4,630	1.95	59.88
108	300625	1461	1	1461	0	12,966	0	12,966	429.19	4,909	3.36	100.00
109	300633	778	1	778	3,661	8,344	0	8,344	458.81	3,862	0.59	5.49
110	300634	3274	1	3274	0	14,557	0	14,557	358.08	0	0.00	0.00
111	300639	1258	1	1258	2,975	11,856	0	11,856	438.00	4,827	1.48	62.25
112	300645	1274	1	1274	2,912	11,952	0	11,952	437.30	4,840	1.52	66.21
113	300650	1488	2	744	7,269	16,097	0	16,097	460.28	7,506	0.47	3.26
114	300651	416	1	416	3,118	6,184	0	6,184	525.06	3,718	1.58	19.24
115	300654	797	1	797	3,667	8,507	0	8,507	457.99	3,921	0.63	6.93
116	300656	1389	1	1389	2,489	12,598	0	12,598	432.32	4,902	1.72	96.95
117	300659	10503	2	5252	0	27,155	0	27,155	323.73	0	0.00	0.00
118	300662	799	1	799	3,653	8,524	0	8,524	457.90	3,927	0.46	7.50
119	300663	321	1	349	3,058	5,070	0	5,070	539.90	3,167	2.30	3.56
120	300664	895	1	895	2,636	9,316	0	9,316	453.74	4,197	2.73	59.22
121	310669	5270	1	5270	0	13,536	0	13,536	323.42	0	0.00	0.00
122	310675	5020	4	1255	11,761	47,353	0	47,353	438.13	19,297	1.53	64.08
123	310676	6902	4	1829	0	54,369	0	54,369	413.24	17,226	2.50	100.00
124	310678	1461	1	1461	1,934	12,966	0	12,966	429.19	4,909	2.06	153.83
125	310688	1428	1	1428	1,683	12,801	0	12,801	430.62	4,909	2.33	191.68
126	310692	754	1	754	3,595	8,136	0	8,136	459.85	3,786	0.25	5.31
127	310694	711	1	711	3,544	7,755	0	7,755	461.71	3,642	0.17	2.77
128	310703	2447	4	625	13,809	29,302	0	29,302	478.80	14,797	0.86	7.15
129	310725	1201	1	1201	3,109	11,505	0	11,505	440.47	4,769	1.43	53.39
130	310735	1148	1	1148	3,066	11,162	0	11,162	442.77	4,701	1.61	53.33
131	320744	1795	3	598	10,218	22,165	0	22,165	484.77	11,523	1.12	12.77
132	320750	2399	1	2399	0	15,192	0	15,192	388.52	2,776	1.16	100.00

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133	320751	2566	2	1283	5,496	24,010	0	24,010	436.91	9,695	1.70	76.40
134	320756	1150	1	1150	2,302	11,175	0	11,175	442.68	4,704	2.46	104.34
135	320771	745	1	745	3,576	8,057	0	8,057	460.24	3,756	0.20	5.03
136	320777	2889	1	2889	0	14,459	0	14,459	367.28	18	0.01	100.00
137	320778	2283	1	2283	0	15,175	0	15,175	393.55	3,264	1.43	100.00
138	320790	1690	1	1690	0	13,949	0	13,949	419.26	4,770	2.82	100.00
139	320792	2958	1	2958	0	14,251	0	14,251	364.28	0	0.00	0.00
140	320796	1246	1	1246	3,670	11,784	0	11,784	438.52	4,816	-0.31	31.23
141	320809	1890	3	630	10,297	22,501	0	22,501	477.69	11,315	0.75	9.89
142	320816	477	1	477	3,296	6,689	0	6,689	511.56	3,861	2.23	17.14
143	320818	28071	12	2339	0	182,327	0	182,327	391.12	36,436	1.30	100.00
144	320826	1142	1	1142	3,266	11,122	0	11,122	443.03	4,693	1.32	43.69
145	320827	1903	1	1903	0	14,609	0	14,609	410.03	4,419	2.32	100.00
146	320829	4897	1	4897	0	14,296	0	14,296	329.90	0	0.00	0.00
147	320830	3527	4	882	13,759	36,835	0	36,835	454.30	16,647	1.59	20.99
148	320834	3484	1	3832	0	13,662	0	13,662	348.39	0	0.00	0.00
149	320837	813	1	813	3,652	8,643	0	8,643	457.29	3,969	0.42	8.68
150	320839	1165	1	1165	3,039	11,273	0	11,273	442.03	4,725	1.61	55.48
151	330842	7504	3	2501	0	45,446	0	45,446	384.10	6,885	0.92	100.00
152	330843	5325	3	1775	0	42,726	0	42,726	415.58	13,966	2.62	100.00
153	330846	4841	2	2421	0	30,368	0	30,368	387.57	5,351	1.11	100.00
154	330847	919	1	919	3,655	9,506	0	9,506	452.70	4,258	0.72	16.50
155	330848	216	2	108	2,371	4,132	0	4,132	593.25	2,851	2.47	20.24
156	330849	1501	1	1501	360	13,158	0	13,158	427.46	4,903	3.06	1261.94
157	330850	3528	1	3528	0	14,843	0	14,843	353.67	0	0.00	0.00
158	330851	2100	1	2100	0	15,000	0	15,000	401.49	3,905	1.86	100.00
159	330856	3943	2	1972	0	29,532	0	29,532	407.04	8,517	2.16	100.00
160	330863	2288	3	763	10,840	24,633	0	24,633	459.46	11,439	0.30	5.53
161	330865	1711	1	1711	248	14,025	0	14,025	418.35	4,745	2.63	1813.31
162	330866	1434	2	717	7,113	15,617	0	15,617	461.45	7,324	0.21	2.97
163	330868	2587	3	862	11,009	27,158	0	27,158	455.17	12,332	0.56	12.02
164	330872	1934	1	1934	0	14,684	0	14,684	408.68	4,350	2.25	100.00
165	330875	1259	1	1259	2,806	11,862	0	11,862	437.95	4,828	1.68	72.06

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166	330879	3440	3	1147	10,035	33,456	0	33,456	442.81	14,096	1.16	40.47
167	330880	6663	4	1666	0	55,430	0	55,430	420.31	19,180	2.88	100.00
168	330881	34843	2	17422	0	0	0	0	260.35	0	0.00	0.00
169	330889	2036	2	1018	7,101	20,513	0	20,513	448.40	8,960	0.98	26.18
170	330892	1790	1	1790	0	14,290	0	14,290	414.93	4,632	2.59	100.00
171	330896	1768	2	884	7,335	18,455	0	18,455	454.21	8,337	0.64	13.66
172	330899	2115	2	1058	6,923	21,080	0	21,080	446.67	9,109	1.12	31.58
173	330900	3686	2	1843	0	28,896	0	28,896	412.63	9,078	2.46	100.00
174	330902	2520	2	1260	5,845	23,737	0	23,737	437.91	9,657	1.54	65.22
175	330905	2643	2	1322	5,509	24,451	0	24,451	435.22	9,744	1.59	76.87
176	330914	6578	5	1316	13,197	60,962	0	60,962	435.48	24,343	1.74	84.46
177	330915	5382	1	5382	0	13,257	0	13,257	321.47	0	0.00	0.00
178	330925	2450	1	2450	0	15,176	0	15,176	386.31	2,541	1.04	100.00
179	330930	4086	5	817	18,357	43,393	0	43,393	457.12	19,910	0.72	8.46
180	330938	9447	4	2362	0	60,771	0	60,771	390.13	11,752	1.24	100.00
181	330942	2932	5	586	16,516	36,692	0	36,692	487.43	19,309	1.05	16.91
182	330943	3778	2	1889	0	29,146	0	29,146	410.64	8,897	2.35	100.00
183	330944	9424	2	4712	0	29,152	0	29,152	333.11	0	0.00	0.00
184	330945	2822	2	1411	2,594	25,426	0	25,426	431.36	9,814	2.66	278.33
185	330946	1229	2	615	6,797	14,887	0	14,887	481.01	7,601	0.88	11.83
186	330949	2884	1	2884	0	14,473	0	14,473	367.49	52	0.02	100.00
187	330951	3125	1	3125	0	14,332	0	14,332	360.58	0	0.00	0.00
188	330955	11565	1	11565	0	0	0	0	260.35	0	0.00	0.00
189	330960	4533	6	756	21,676	48,889	0	48,889	459.76	22,737	0.32	4.89
190	330962	4929	4	1232	12,052	46,802	0	46,802	439.12	19,213	1.49	59.42
191	330966	7793	8	974	28,928	79,445	0	79,445	450.31	35,099	0.84	21.33
192	330967	4046	1	4046	0	15,051	0	15,051	344.68	0	0.00	0.00
193	330968	7929	1	7929	0	532	0	532	277.24	0	0.00	0.00
194	330970	6753	5	1351	12,699	61,943	0	61,943	433.96	24,436	1.76	92.42
195	330971	6556	6	1093	20,703	64,720	0	64,720	445.15	27,695	1.07	33.77
196	340976	4413	13	339	37,200	70,307	0	70,307	542.11	44,144	1.87	18.67
197	340983	1768	2	884	7,326	18,455	0	18,455	454.21	8,337	0.72	13.80
198	340990	540	1	540	2,359	7,101	0	7,101	497.61	3,900	-1.92	65.32

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199	340993	642	1	642	3,509	7,537	0	7,537	475.03	3,751	0.79	6.90
200	340998	699	1	699	3,600	7,655	0	7,655	462.41	3,607	0.41	0.19
201	341016	7947	2	3974	0	30,101	0	30,101	345.93	0	0.00	0.00
202	341017	1326	1	1326	2,522	12,253	0	12,253	435.05	4,876	1.84	93.34
203	341021	101	1	101	1,075	1,942	0	1,942	594.80	1,343	2.44	24.93
204	341024	2570	7	367	20,672	39,949	0	39,949	535.91	24,713	1.73	19.55
205	341029	1540	2	770	7,255	16,551	0	16,551	459.16	7,674	0.37	5.78
206	341041	84	1	84	1,035	1,635	0	1,635	598.56	1,137	2.64	9.86
207	341046	164	1	164	1,666	3,010	0	3,010	580.85	2,038	2.27	22.33
208	341050	3776	1	3776	0	15,006	0	15,006	349.37	0	0.00	0.00
209	341053	4252	2	2126	0	30,072	0	30,072	400.36	7,646	1.80	100.00
210	341054	4676	13	360	37,960	73,139	0	73,139	537.46	45,416	1.73	19.64
211	341062	638	1	638	3,415	7,525	0	7,525	475.92	3,758	0.61	10.04
212	341075	559	1	559	3,298	7,204	0	7,204	493.41	3,890	1.25	17.95
213	341086	566	1	566	3,298	7,240	0	7,240	491.86	3,884	1.14	17.77
214	341087	782	1	782	3,654	8,379	0	8,379	458.64	3,875	0.50	6.05
215	341092	100	1	100	1,084	1,924	0	1,924	595.02	1,331	2.47	22.79
216	351097	375	1	375	2,996	5,788	0	5,788	534.14	3,564	1.74	18.96
217	351098	332	1	332	2,817	5,322	0	5,322	543.66	3,353	1.86	19.03
218	351101	888	1	888	3,659	9,260	0	9,260	454.04	4,179	0.30	14.21
219	351107	343	1	343	2,883	5,446	0	5,446	541.23	3,412	1.87	18.35
220	351108	189	1	189	1,853	3,403	0	3,403	575.32	2,283	2.17	23.21
221	351112	1117	3	372	8,874	17,286	0	17,286	534.81	10,664	1.67	20.17
222	351113	1628	1	1628	439	13,711	0	13,711	421.95	4,832	2.71	1000.68
223	351114	440	1	440	3,192	6,395	0	6,395	519.75	3,787	1.58	18.64
224	351115	2949	4	771	14,512	31,686	0	31,686	459.11	14,688	0.36	1.21
225	351118	1827	2	914	7,247	18,922	0	18,922	452.91	8,486	0.93	17.10
226	351119	486	1	486	3,245	6,754	0	6,754	509.57	3,873	1.25	19.35
227	351121	149	1	149	1,555	2,766	0	2,766	584.17	1,882	2.34	21.03
228	351125	5796	3	1932	0	44,039	0	44,039	408.77	13,064	2.25	100.00
229	351126	208	2	104	2,324	3,990	0	3,990	594.14	2,757	2.50	18.63
230	351130	838	1	838	3,669	8,852	0	8,852	456.21	4,042	0.69	10.17
231	351133	841	4	210	8,329	14,900	0	14,900	570.67	9,914	2.20	19.03

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232	351136	605	1	605	3,408	7,412	0	7,412	483.22	3,825	1.03	12.24
233	351137	636	2	318	5,569	10,317	0	10,317	546.76	6,547	1.98	17.56
234	351139	1580	4	395	12,152	23,948	0	23,948	529.71	14,581	1.60	19.99
235	351141	784	1	784	3,656	8,396	0	8,396	458.55	3,881	0.52	6.15
236	351146	366	1	366	3,018	5,694	0	5,694	536.13	3,524	1.93	16.77
237	351147	998	1	998	3,511	10,109	0	10,109	449.27	4,439	1.14	26.43
238	351149	286	1	286	2,562	4,766	0	4,766	553.84	3,071	1.96	19.87
239	351150	650	1	650	3,467	7,559	0	7,559	473.26	3,736	0.59	7.76
240	351152	1570	2	785	7,101	16,809	0	16,809	458.51	7,768	0.03	9.39
241	351153	781	1	781	3,619	8,370	0	8,370	458.68	3,872	0.29	6.99
242	351157	719	2	360	5,848	11,246	0	11,246	537.46	6,983	1.76	19.41
243	351160	1247	2	624	7,041	14,950	0	14,950	479.02	7,557	1.05	7.33
244	351162	1424	2	712	7,229	15,528	0	15,528	461.67	7,290	0.44	0.84
245	351166	806	1	806	3,659	8,584	0	8,584	457.59	3,948	0.50	7.90
246	351168	1816	7	259	17,186	30,942	0	30,942	559.82	20,176	2.14	17.40
247	351169	317	1	317	3,250	5,147	0	5,147	546.98	3,268	3.63	0.55
248	351171	2065	1	2065	0	14,946	0	14,946	403.00	4,009	1.94	100.00
249	351172	2417	4	604	13,397	29,645	0	29,645	483.44	15,315	0.93	14.32
250	351173	2601	4	650	13,759	30,246	0	30,246	473.26	14,948	0.52	8.64
251	351174	1230	3	410	9,346	18,388	0	18,388	526.39	11,096	1.67	18.72
252	351175	430	1	430	3,178	6,309	0	6,309	521.96	3,760	1.65	18.31
253	351176	729	1	729	3,580	7,916	0	7,916	460.93	3,703	0.25	3.44
254	351177	1724	4	431	12,595	25,272	0	25,272	521.74	15,051	1.50	19.50
255	351179	342	1	342	2,874	5,435	0	5,435	541.45	3,407	1.87	18.55
256	351187	1306	2	653	7,109	15,133	0	15,133	472.60	7,459	0.80	4.92
257	351188	576	1	576	3,301	7,288	0	7,288	489.64	3,873	1.11	17.33
258	351189	988	2	494	6,529	13,622	0	13,622	507.80	7,764	1.30	18.92
259	351191	724	1	724	3,364	7,871	0	7,871	461.15	3,686	-0.29	9.57
260	351195	2187	4	547	13,175	28,549	0	28,549	496.06	15,583	1.31	18.28
261	351199	484	1	484	3,271	6,740	0	6,740	510.01	3,871	1.51	18.34
262	351202	744	1	744	3,619	8,048	0	8,048	460.28	3,753	0.38	3.70
263	351203	866	1	866	3,670	9,082	0	9,082	454.99	4,120	0.59	12.26
264	351205	1818	2	909	7,306	18,854	0	18,854	453.13	8,466	0.76	15.88

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265	351206	427	2	214	4,250	7,541	0	7,541	569.78	5,010	2.22	17.88
266	351209	1407	3	469	9,710	19,885	0	19,885	513.33	11,544	1.43	18.89
267	351212	3500	1	3500	0	14,818	0	14,818	354.16	0	0.00	0.00
268	351213	352	1	352	2,920	5,545	0	5,545	539.23	3,458	1.85	18.42
269	351217	982	3	327	8,348	15,808	0	15,808	544.77	9,986	1.85	19.62
270	351220	1948	2	974	7,195	19,859	0	19,859	450.31	8,774	0.90	21.95
271	351222	713	1	713	3,599	7,773	0	7,773	461.63	3,648	0.36	1.36
272	351223	320	1	320	2,766	5,182	0	5,182	546.32	3,285	1.91	18.76
273	351225	1991	4	498	13,116	27,340	0	27,340	506.91	15,536	1.40	18.45
274	351228	282	1	282	2,540	4,715	0	4,715	554.73	3,043	1.97	19.80
275	351230	2245	3	748	10,835	24,261	0	24,261	460.11	11,303	0.33	4.32
276	351232	796	1	796	3,486	8,499	0	8,499	458.03	3,918	-0.19	12.39
277	351235	616	1	616	3,361	7,453	0	7,453	480.79	3,801	0.78	13.09
278	351237	1943	4	486	11,984	27,004	0	27,004	509.57	15,484	0.22	29.21
279	351238	308	1	308	2,722	5,039	0	5,039	548.97	3,213	1.98	18.04
280	351239	665	2	333	5,688	10,650	0	10,650	543.44	6,707	1.91	17.91
281	351241	849	1	849	3,669	8,943	0	8,943	455.73	4,073	0.67	11.01
282	351242	737	1	737	3,612	7,987	0	7,987	460.59	3,730	0.36	3.27
283	351243	97	1	97	1,094	1,870	0	1,870	595.69	1,295	2.52	18.37
284	351245	454	1	454	3,223	6,511	0	6,511	516.65	3,819	1.55	18.49
285	351246	856	2	428	6,277	12,584	0	12,584	522.41	7,509	1.52	19.63
286	351247	969	4	242	8,891	16,739	0	16,739	563.59	10,994	1.98	23.65
287	351248	2290	2	1145	6,269	22,284	0	22,284	442.90	9,394	1.52	49.85
288	351250	653	1	653	3,480	7,566	0	7,566	472.60	3,729	0.58	7.16
289	351251	2158	3	719	10,736	23,491	0	23,491	461.37	11,012	0.26	2.57
290	351252	5302	1	5302	0	13,459	0	13,459	322.86	0	0.00	0.00
291	351257	900	1	900	3,661	9,355	0	9,355	453.52	4,210	0.70	15.00
292	351259	2538	7	363	20,768	39,592	0	39,592	536.80	24,545	1.82	18.19
293	351260	6459	3	2153	0	45,208	0	45,208	399.19	11,205	1.73	100.00
294	351261	1381	4	345	11,497	21,887	0	21,887	540.78	13,700	1.82	19.16
295	351262	750	1	750	3,451	8,101	0	8,101	460.02	3,773	-0.17	9.33
296	351263	1695	1	1695	0	13,968	0	13,968	419.05	4,764	2.81	100.00
297	351264	765	2	383	6,141	11,722	0	11,722	532.37	7,187	1.87	17.03

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298	351265	228	1	228	2,287	3,983	0	3,983	566.68	2,631	2.28	15.04
299	351266	278	1	278	2,476	4,664	0	4,664	555.62	3,016	1.91	21.81
300	351269	427	1	427	3,287	6,283	0	6,283	522.63	3,751	2.49	14.12
301	351270	292	1	292	2,681	4,842	0	4,842	552.52	3,111	2.12	16.04
302	351271	2111	1	2111	0	15,016	0	15,016	401.01	3,871	1.83	100.00
303	351273	830	1	830	3,667	8,785	0	8,785	456.55	4,019	0.54	9.60
304	351274	1827	1	1827	0	14,402	0	14,402	413.32	4,568	2.50	100.00
305	351275	220	1	220	2,172	3,867	0	3,867	568.46	2,563	2.21	18.00
306	351276	1235	2	618	6,972	14,908	0	14,908	480.34	7,586	1.03	8.81
307	351277	513	1	513	3,294	6,938	0	6,938	503.59	3,897	1.44	18.31
308	351278	1034	1	1034	3,486	10,373	0	10,373	447.71	4,511	1.12	29.40
309	351280	396	1	396	3,045	5,997	0	5,997	529.49	3,649	1.60	19.84
310	351282	1319	4	330	11,103	21,178	0	21,178	544.10	13,358	1.80	20.31
311	351283	453	1	453	3,240	6,503	0	6,503	516.87	3,817	1.68	17.81
312	351284	845	1	845	3,663	8,910	0	8,910	455.90	4,062	0.45	10.89
313	351285	1102	2	551	6,591	14,324	0	14,324	495.18	7,791	1.26	18.21
314	351291	1779	4	445	12,702	25,734	0	25,734	518.64	15,186	1.42	19.56
315	351292	182	1	182	4,670	3,295	0	3,295	576.87	2,216	3.00	-52.55
316	351293	1237	2	619	6,780	14,915	0	14,915	480.12	7,582	0.80	11.83
317	351294	532	1	532	3,295	7,055	0	7,055	499.38	3,901	1.51	18.39
318	351297	2463	7	352	20,239	38,797	0	38,797	539.23	24,195	1.77	19.55
319	351298	12661	5	2532	0	75,614	0	75,614	382.76	10,695	0.84	100.00
320	351301	879	3	293	8,362	14,564	0	14,564	552.29	9,352	2.33	11.84
321	351302	1304	1	1304	2,609	12,127	0	12,127	436.00	4,862	1.80	86.35
322	351303	658	2	329	5,531	10,574	0	10,574	544.32	6,673	1.79	20.65
323	351304	1013	1	1013	3,568	10,220	0	10,220	448.62	4,470	0.93	25.28
324	351305	692	1	692	3,661	7,645	0	7,645	463.96	3,628	0.86	-0.90
325	351306	3029	2	1515	5,004	26,438	0	26,438	426.85	9,794	1.41	95.72
326	351307	193	1	193	1,938	3,465	0	3,465	574.43	2,321	2.24	19.76
327	351308	392	1	392	3,035	5,958	0	5,958	530.38	3,634	1.63	19.74
328	351309	483	1	483	3,250	6,733	0	6,733	510.23	3,869	1.34	19.05
329	351310	574	1	574	3,301	7,279	0	7,279	490.09	3,875	1.17	17.39
330	351319	3118	6	520	19,764	41,867	0	41,867	502.04	23,381	1.60	18.30

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331	351320	639	1	639	3,419	7,528	0	7,528	475.70	3,757	0.61	9.89
332	351322	477	1	528	3,297	6,352	0	6,352	500.27	3,524	1.47	6.89
333	351324	1209	2	605	6,752	14,812	0	14,812	483.22	7,644	0.96	13.21
334	351326	804	1	804	3,664	8,567	0	8,567	457.68	3,942	0.57	7.59
335	351328	4994	16	312	43,360	81,430	0	81,430	548.09	51,822	1.90	19.52
336	351329	1455	1	1455	2,080	12,936	0	12,936	429.45	4,910	1.95	136.06
337	351331	5305	6	884	21,982	55,375	0	55,375	454.21	25,015	0.68	13.80
338	351332	3913	2	1957	0	29,467	0	29,467	407.69	8,590	2.20	100.00
339	351334	4293	8	537	26,110	56,634	0	56,634	498.28	31,182	0.69	19.43
340	351335	365	1	365	2,887	5,684	0	5,684	536.35	3,520	1.58	21.93
341	351336	1981	1	1981	0	14,789	0	14,789	406.65	4,237	2.14	100.00
342	351337	6964	16	435	50,981	101,699	0	101,699	520.86	60,412	1.63	18.50
343	351342	238	1	238	2,281	4,124	0	4,124	564.47	2,713	2.13	18.94
344	351343	674	1	674	3,525	7,614	0	7,614	467.95	3,680	0.45	4.40
345	351344	1070	3	357	8,703	16,781	0	16,781	538.13	10,437	1.73	19.92
346	351405	2159	7	308	18,686	35,323	0	35,323	548.97	22,523	1.87	20.53
347	351407	163	1	163	0	2,994	0	2,994	581.07	2,027	12.44	100.00
348	351424	1025	3	342	8,524	16,288	0	16,288	541.45	10,211	1.79	19.79
349	361337	826	4	207	8,300	14,668	0	14,668	571.33	9,771	2.25	17.72
350	361347	3673	3	1224	9,296	34,955	0	34,955	439.47	14,386	1.39	54.75
351	361348	73	1	73	803	1,432	0	1,432	601.00	999	2.54	24.41
352	361353	1373	1	1373	2,494	12,512	0	12,512	433.01	4,897	1.75	96.35
353	361356	4954	5	991	18,100	50,275	0	50,275	449.57	22,115	0.77	22.18
354	361358	7402	7	1057	23,941	73,794	0	73,794	446.71	31,895	1.22	33.22
355	361362	8898	2	4449	0	29,727	0	29,727	337.68	0	0.00	0.00
356	361365	296	1	296	2,727	4,892	0	4,892	551.63	3,137	2.16	15.03
357	361372	219	1	219	2,144	3,853	0	3,853	568.68	2,554	2.18	19.12
358	361373	10275	10	1028	35,618	103,243	0	103,243	447.97	44,975	0.92	26.27
359	361375	9560	11	869	39,862	100,178	0	100,178	454.86	45,415	1.04	13.93
360	361380	315	1	315	2,707	5,123	0	5,123	547.42	3,256	1.85	20.28
361	361381	245	1	245	2,327	4,222	0	4,222	562.92	2,769	2.11	18.99
362	361384	288	1	288	2,579	4,792	0	4,792	553.40	3,084	1.96	19.58
363	361389	1157	4	289	10,286	19,234	0	19,234	553.18	12,374	1.94	20.30

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364	361390	2145	7	306	18,531	35,153	0	35,153	549.42	22,436	1.86	21.07
365	361396	3418	4	855	14,679	35,947	0	35,947	455.47	16,350	0.54	11.38
366	361401	1585	10	159	16,361	29,200	0	29,200	581.96	19,803	2.31	21.04
367	361403	782	1	782	3,626	8,379	0	8,379	458.64	3,875	0.32	6.87
368	361404	1027	2	514	6,576	13,875	0	13,875	503.37	7,787	1.36	18.42
369	361405	618	3	206	6,028	10,983	0	10,983	571.55	7,319	2.15	21.42
370	361408	2043	3	681	10,475	22,881	0	22,881	466.40	10,982	0.28	4.84
371	361409	13207	1	13207	0	0	0	0	260.35	0	0.00	0.00
372	361412	4743	3	1581	3,812	40,550	0	40,550	423.99	14,600	2.28	283.00
373	361413	2083	4	521	13,164	27,941	0	27,941	501.82	15,591	1.26	18.44
374	361419	335	1	335	2,799	5,356	0	5,356	543.00	3,370	1.78	20.40
375	361422	1894	1	1894	0	14,586	0	14,586	410.42	4,438	2.34	100.00
376	361423	919	1	919	3,662	9,506	0	9,506	452.70	4,258	0.65	16.28
377	361424	797	2	399	6,152	12,036	0	12,036	528.83	7,311	1.68	18.84
378	361425	1694	1	1694	60	13,964	0	13,964	419.09	4,765	2.78	7841.67
379	361426	631	2	316	5,531	10,254	0	10,254	547.20	6,513	1.97	17.75
380	361427	36560	1	36560	0	0	0	0	260.35	0	0.00	0.00
381	361430	11163	8	1395	19,014	101,064	0	101,064	432.06	39,240	1.82	106.37
382	361431	2907	4	727	14,225	31,581	0	31,581	461.02	14,779	0.17	3.89
383	361439	982	3	327	8,416	15,808	0	15,808	544.77	9,986	1.91	18.65
384	361440	2124	4	531	13,182	28,197	0	28,197	499.61	15,604	1.34	18.37
385	361443	12929	9	1437	18,217	115,581	0	115,581	430.23	44,172	2.04	142.48
386	361448	1964	1	1964	0	14,753	0	14,753	407.38	4,279	2.18	100.00
387	361450	4426	6	738	21,943	47,951	0	47,951	460.54	22,388	0.66	2.03
388	361472	7754	10	775	36,317	83,229	0	83,229	458.94	38,548	0.36	6.14
389	361474	584	1	584	3,294	7,325	0	7,325	487.87	3,862	0.47	17.24
390	361475	4768	9	530	29,676	63,363	0	63,363	499.83	35,094	1.28	18.26
391	361476	505	1	505	3,278	6,886	0	6,886	505.36	3,892	1.29	18.73
392	361479	19438	3	6479	0	27,818	0	27,818	302.42	0	0.00	0.00
393	361482	17085	4	4271	0	59,939	0	59,939	340.77	0	0.00	0.00
394	361485	1336	2	668	6,906	15,203	0	15,203	469.28	7,390	0.34	7.01
395	361487	1677	1	1677	392	13,901	0	13,901	419.83	4,784	2.62	1120.41
396	361494	1168	1	1168	3,301	11,293	0	11,293	441.90	4,728	1.19	43.23

Appendix C
2005 Average Schedule USF Study
Comparison of Current and Proposed Monthly HCL Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Formula Exp. Adj.	Reduction Limit Exp. Adj.	Proposed Total Exp. Adj	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Diff.	Payment Percent Difference
397	361495	820	2	410	6,042	12,259	0	12,259	526.39	7,397	1.33	22.43
398	361499	2631	1	2631	0	15,007	0	15,007	378.46	1,611	0.61	100.00
399	361500	38	1	38	370	764	74	838	640.00	613	4.55	65.68
400	361502	2451	2	1226	6,082	23,313	0	23,313	439.38	9,589	1.46	57.66
401	361505	6484	18	360	52,071	101,418	0	101,418	537.46	62,977	1.67	20.94
402	361507	1769	1	1769	0	14,223	0	14,223	415.84	4,664	2.64	100.00
403	361508	1173	1	1173	3,166	11,325	0	11,325	441.68	4,735	1.41	49.56
404	361510	1377	5	275	13,106	23,158	0	23,158	556.28	14,994	2.22	14.41
405	361512	182	1	182	1,837	3,295	0	3,295	576.87	2,216	2.25	20.63
406	361515	2273	1	2273	0	15,170	0	15,170	393.99	3,303	1.45	100.00
407	361654	1684	3	561	9,891	21,657	0	21,657	492.96	11,673	1.13	18.02
408	371530	1656	5	331	13,845	26,567	0	26,567	543.88	16,749	1.76	20.98
409	371532	3040	15	203	30,019	54,154	0	54,154	572.22	36,130	2.18	20.36
410	371555	6239	9	693	31,962	68,840	0	68,840	463.74	32,639	0.31	2.12
411	371556	1706	1	1706	928	14,007	0	14,007	418.57	4,751	2.22	411.96
412	371561	745	1	745	3,625	8,057	0	8,057	460.24	3,756	0.41	3.61
413	371562	1319	3	440	9,580	19,171	0	19,171	519.75	11,351	1.60	18.49
414	371563	1213	2	607	6,717	14,827	0	14,827	482.78	7,636	0.91	13.68
415	371565	654	2	327	5,644	10,528	0	10,528	544.77	6,651	1.95	17.84
416	371581	1940	2	970	7,232	19,798	0	19,798	450.48	8,756	0.84	21.07
417	371582	1079	1	1079	3,424	10,693	0	10,693	445.76	4,594	1.16	34.17
418	371590	97	1	97	1,065	1,870	0	1,870	595.69	1,295	2.48	21.60
419	381509	331	2	166	3,454	6,066	0	6,066	580.41	4,103	2.33	18.79
420	381601	48	1	48	547	958	58	1,016	625.92	732	3.84	33.82
421	381614	1529	5	306	13,465	25,058	0	25,058	549.42	15,993	1.94	18.77
422	381615	2064	4	516	13,152	27,829	0	27,829	502.93	15,592	1.33	18.55
423	381622	987	2	494	6,505	13,608	0	13,608	507.80	7,756	1.23	19.23
424	381623	245	1	245	2,179	4,222	0	4,222	562.92	2,769	1.87	27.08
425	381625	5353	15	357	43,587	83,950	0	83,950	538.13	52,214	1.73	19.79
426	381631	4231	10	423	29,868	62,490	0	62,490	523.51	37,406	1.06	25.24
427	381638	1094	3	365	8,847	17,036	0	17,036	536.35	10,550	1.75	19.25
428	383303	40561	25	1622	0	342,265	0	342,265	422.21	120,953	2.98	100.00
429	391640	1663	3	554	9,898	21,548	0	21,548	494.51	11,688	1.08	18.08

Appendix C
2005 Average Schedule USF Study
Comparison of Current and Proposed Monthly HCL Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Formula Exp. Adj.	Reduction Limit Exp. Adj.	Proposed Total Exp. Adj	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Diff.	Payment Percent Difference
430	391642	3062	5	612	16,665	37,217	0	37,217	481.67	19,063	0.78	14.39
431	391649	1476	1	1476	1,939	13,039	0	13,039	428.54	4,908	2.02	153.12
432	391650	13344	1	13344	0	0	0	0	260.35	0	0.00	0.00
433	391653	384	1	384	3,070	5,879	0	5,879	532.15	3,602	1.85	17.33
434	391654	14530	26	559	85,637	187,261	0	187,261	493.41	101,116	1.16	18.08
435	391657	7209	5	1442	12,419	64,348	0	64,348	430.02	24,545	1.60	97.64
436	391660	6470	8	809	29,178	68,851	0	68,851	457.46	31,648	0.40	8.47
437	391664	3986	14	285	35,583	66,483	0	66,483	554.07	42,851	1.93	20.43
438	391669	2144	6	357	17,455	33,624	0	33,624	538.13	20,913	1.74	19.81
439	391671	2423	1	2423	0	15,186	0	15,186	387.48	2,667	1.10	100.00
440	391674	2026	8	253	19,671	34,689	0	34,689	561.15	22,677	2.22	15.28
441	391677	6021	8	753	28,725	64,986	0	64,986	459.89	30,243	0.23	5.28
442	391682	397	2	199	4,203	7,094	0	7,094	573.10	4,740	2.39	12.78
443	391684	1790	2	895	7,326	18,631	0	18,631	453.74	8,394	0.66	14.58
444	391688	1193	3	398	8,997	18,033	0	18,033	529.05	10,960	1.42	21.82
445	401710	1074	2	537	6,593	14,169	0	14,169	498.28	7,801	1.21	18.32
446	401712	7528	8	941	29,160	77,416	0	77,416	451.74	34,489	0.73	18.28
447	401722	4470	8	559	26,421	57,609	0	57,609	493.41	31,107	1.46	17.74
448	421206	1177	4	294	10,475	19,485	0	19,485	552.07	12,507	1.97	19.40
449	421759	2695	6	449	19,289	38,835	0	38,835	517.76	22,857	1.57	18.50
450	421860	373	1	373	2,955	5,767	0	5,767	534.58	3,556	1.65	20.34
451	421876	192	1	192	2,014	3,449	0	3,449	574.65	2,311	2.36	14.75
452	421893	631	1	631	3,403	7,504	0	7,504	477.47	3,770	0.67	10.78
453	421900	1585	4	396	12,314	24,002	0	24,002	529.49	14,605	1.71	18.60
454	421932	1488	1	1488	1,495	13,097	0	13,097	428.02	4,906	2.34	228.16
455	421936	536	1	536	3,294	7,078	0	7,078	498.50	3,901	1.13	18.43
456	421942	1999	3	666	10,424	22,803	0	22,803	469.72	11,105	0.42	6.53
457	431704	1439	1	1439	1,934	12,856	0	12,856	430.15	4,910	2.11	153.88
458	431968	1885	1	1885	0	14,563	0	14,563	410.81	4,457	2.36	100.00
459	432141	738	3	246	6,782	12,707	0	12,707	562.70	8,332	1.99	22.85
460	442038	1463	1	1463	1,857	12,976	0	12,976	429.11	4,909	2.11	164.35
461	442043	896	2	448	6,432	12,924	0	12,924	517.98	7,612	1.62	18.35
462	442107	7942	1	7942	0	435	0	435	277.01	0	0.00	0.00

Appendix C
2005 Average Schedule USF Study
Comparison of Current and Proposed Monthly HCL Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Proposed Formula Exp. Adj.	Reduction Limit Exp. Adj.	Proposed Total Exp. Adj	Proposed Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Diff.	Payment Percent Difference
463	462198	957	1	957	3,642	9,800	0	9,800	451.05	4,349	0.73	19.41
464	462206	78	1	78	895	1,524	0	1,524	599.89	1,062	2.57	18.66
465	462210	65	1	65	761	1,282	0	1,282	602.77	897	2.61	17.87
466	472227	1675	5	335	14,147	26,779	0	26,779	543.00	16,848	1.84	19.09
467	482252	4090	2	2045	0	29,824	0	29,824	403.87	8,133	1.99	100.00
468	502279	1521	1	1521	376	13,251	0	13,251	426.59	4,896	3.00	1202.13
469	502282	1542	1	1542	431	13,346	0	13,346	425.68	4,888	2.92	1034.11
470	502283	1670	3	557	9,885	21,569	0	21,569	493.85	11,668	1.09	18.04
471	522430	4438	3	1479	4,923	39,169	0	39,169	428.41	14,725	2.25	199.11
472	532386	1983	1	1983	0	14,793	0	14,793	406.56	4,232	2.13	100.00
473	532396	634	1	634	3,428	7,513	0	7,513	476.80	3,765	0.69	9.83
474	532399	7750	1	7750	0	1,825	0	1,825	280.35	0	0.00	0.00
475	613005	51	1	51	558	1,016	80	1,096	631.08	794	4.17	42.29
476	613026	206	1	206	1,861	3,661	0	3,661	571.55	2,440	1.95	31.11
Total:					2,938,582	11,929,767	259	11,930,026		4,494,127		

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
1	100005	927	1	927	3,648	439.73	3,644	0.08	-0.10
2	100015	11889	7	1698	0	410.07	27,633	2.32	100.00
3	100019	6528	6	1088	20,472	433.54	23,472	0.53	14.65
4	100020	7170	3	2390	0	383.45	6,326	0.88	100.00
5	100022	9691	3	3230	0	355.40	0	0.00	0.00
6	120042	339	1	339	3,301	557.10	3,709	5.40	12.36
7	120043	1780	1	1780	0	406.92	3,833	2.15	100.00
8	132454	24451	1	24946	0	260.35	0	0.00	0.00
9	140053	901	1	901	3,669	440.73	3,590	-0.15	-2.15
10	140064	3735	6	623	20,202	471.64	21,138	0.29	4.63
11	150076	1497	1	1497	1,527	417.81	4,107	1.76	168.92
12	150088	5619	2	2810	0	367.30	42	0.01	100.00
13	150112	4903	2	2452	0	381.07	3,694	0.75	100.00
14	150125	8687	2	4344	0	333.20	0	0.00	0.00
15	170145	3246	1	3246	0	355.08	0	0.00	0.00
16	170151	22258	2	11129	0	260.35	0	0.00	0.00
17	170156	5213	1	5213	0	315.88	0	0.00	0.00
18	170161	320200	79	4053	0	260.35	0	0.00	0.00
19	170162	59012	10	5901	0	260.35	0	0.00	0.00
20	170165	57956	6	9659	0	260.35	0	0.00	0.00
21	170171	1328	1	1328	2,550	424.31	4,111	1.23	61.23
22	170175	5566	1	5566	0	308.85	0	0.00	0.00
23	170179	6150	2	3075	0	358.49	0	0.00	0.00
24	170191	12398	8	1550	10,328	415.77	32,644	1.82	216.07
25	170193	74007	8	9251	0	260.35	0	0.00	0.00
26	170195	525	1	525	3,297	501.13	3,907	1.49	18.49
27	170196	13256	4	3314	0	353.73	0	0.00	0.00
28	170197	1417	1	1417	2,255	420.88	4,123	1.33	82.81
29	170200	2245	1	2245	0	389.03	2,659	1.18	100.00
30	170204	3112	2	1556	2,071	415.54	8,155	1.98	293.73
31	170210	1419	1	1419	2,160	420.81	4,124	1.41	90.88
32	170215	985	1	985	3,575	437.50	3,753	0.31	4.99
33	170277	41	1	41	493	646.77	678	5.08	37.60
34	190219	4209	2	2105	0	394.42	6,215	1.48	100.00
35	190220	159	1	159	1,589	611.26	2,278	4.07	43.35
36	190225	7463	5	1493	9,608	417.96	20,535	1.46	113.72
37	190226	35894	4	8974	0	260.35	0	0.00	0.00
38	190236	1100	1	1100	3,428	433.08	3,928	0.47	14.57
39	190237	1430	3	477	9,683	515.57	11,932	1.53	23.22
40	190238	1707	5	341	14,008	556.50	18,611	2.63	32.86
41	190239	995	1	995	3,597	437.12	3,771	0.20	4.83
42	190243	2980	2	1490	3,476	418.08	8,219	1.61	136.47
43	190248	6335	6	1056	20,998	434.77	23,200	0.38	10.49
44	190250	25248	9	2805	0	367.49	451	0.02	100.00
45	190253	2295	1	2295	0	387.11	2,480	1.08	100.00
46	200258	1530	1	1530	1,291	416.54	4,092	1.86	216.91
47	220324	4726	1	4726	0	325.59	0	0.00	0.00
48	220364	7437	4	1859	0	403.88	14,792	1.99	100.00
49	220375	7998	3	2666	0	372.83	2,456	0.31	100.00
50	220380	5723	6	954	21,831	438.70	22,177	0.09	1.59
51	220387	24380	2	12190	0	260.35	0	0.00	0.00
52	220389	7151	3	2384	0	383.68	6,399	0.89	100.00
53	220395	4599	3	1533	2,697	416.42	12,271	2.12	354.98
54	230478	2397	1	2397	0	383.18	2,080	0.87	100.00

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
55	230491	120706	3	40235	0	260.35	0	0.00	0.00
56	230494	1940	1	1940	0	400.76	3,531	1.82	100.00
57	230495	4670	1	4670	0	326.71	0	0.00	0.00
58	230496	10342	7	1477	11,957	418.58	28,805	1.66	140.89
59	230497	3368	2	1684	479	410.61	7,927	2.21	1554.58
60	230500	1301	1	1301	2,912	425.35	4,101	0.87	40.85
61	230501	36567	12	3047	0	359.05	0	0.00	0.00
62	230503	15314	6	2552	0	377.22	8,344	0.54	100.00
63	230505	3688	3	1229	8,899	428.12	12,178	0.95	36.85
64	230511	31062	10	3106	0	357.87	0	0.00	0.00
65	240515	5466	1	5466	0	310.84	0	0.00	0.00
66	240516	17779	3	5926	0	301.68	0	0.00	0.00
67	240532	672	1	672	3,515	456.89	3,266	-0.18	-7.08
68	240535	872	1	872	3,669	441.85	3,528	-0.11	-3.85
69	240536	14630	6	2438	0	381.61	11,451	0.78	100.00
70	240541	2241	1	2241	0	389.18	2,673	1.19	100.00
71	240546	16908	7	2415	0	382.49	14,040	0.83	100.00
72	250283	12211	3	4070	0	338.66	0	0.00	0.00
73	250285	1046	1	1046	3,465	435.16	3,853	0.49	11.19
74	250301	2293	2	1147	6,314	431.27	7,963	0.86	26.11
75	250311	2566	4	642	13,854	465.92	13,727	0.19	-0.92
76	250312	7524	1	7524	0	269.83	0	0.00	0.00
77	250322	4767	4	1192	13,000	429.54	16,107	0.62	23.90
78	260396	6974	7	996	25,002	437.08	26,413	0.29	5.64
79	260398	27941	8	3493	0	350.16	0	0.00	0.00
80	260408	6764	3	2255	0	388.65	7,873	1.16	100.00
81	260412	1508	1	1508	935	417.38	4,102	2.15	338.49
82	260414	16275	7	2325	0	385.95	16,564	1.02	100.00
83	260417	2192	1	2192	0	391.07	2,839	1.30	100.00
84	260419	8185	6	1364	14,531	422.92	24,721	1.28	70.12
85	270428	1313	1	1313	849	424.88	4,105	2.61	383.77
86	280451	2046	1	2046	0	396.69	3,273	1.60	100.00
87	280460	6344	4	1586	2,558	414.38	16,226	2.18	534.42
88	280467	1162	1	1162	2,679	430.69	3,999	1.43	49.26
89	287449	950	1	950	3,629	438.85	3,689	0.15	1.65
90	290553	36139	17	2126	0	393.61	51,776	1.43	100.00
91	290554	12559	5	2512	0	378.76	7,891	0.63	100.00
92	290559	23243	1	23243	0	260.35	0	0.00	0.00
93	290565	27906	10	2791	0	368.03	1,314	0.05	100.00
94	290570	6073	5	1215	14,402	428.65	20,227	1.09	40.45
95	290584	1892	4	473	13,103	516.77	15,929	1.99	21.57
96	300585	823	1	823	3,667	443.73	3,413	0.08	-6.93
97	300586	1356	1	1356	2,363	423.23	4,118	1.35	74.29
98	300588	1171	1	1171	3,188	430.35	4,008	0.76	25.72
99	300589	772	1	772	3,520	445.70	3,284	-0.77	-6.70
100	300590	1222	3	407	9,344	536.64	11,806	2.30	26.34
101	300591	712	1	860	3,670	442.31	2,898	-0.13	-21.02
102	300594	11101	2	5551	0	309.15	0	0.00	0.00
103	300604	1854	1	1854	0	404.07	3,707	2.00	100.00
104	300609	4026	1	4026	0	339.54	0	0.00	0.00
105	300614	935	1	935	3,639	439.43	3,660	0.12	0.58
106	300618	4197	1	4197	0	336.13	0	0.00	0.00
107	300619	1101	1	1101	2,896	433.04	3,929	1.31	35.65
108	300625	1461	1	1461	0	419.19	4,117	2.82	100.00

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
109	300633	778	1	778	3,661	445.47	3,300	-0.13	-9.87
110	300634	3274	1	3274	0	354.53	0	0.00	0.00
111	300639	1258	1	1258	2,975	427.00	4,078	0.88	37.09
112	300645	1274	1	1274	2,912	426.38	4,087	0.93	40.37
113	300650	1488	2	744	7,269	446.77	6,417	-0.26	-11.72
114	300651	416	1	416	3,118	533.93	3,949	2.14	26.66
115	300654	797	1	797	3,667	444.74	3,349	-0.09	-8.67
116	300656	1389	1	1389	2,489	421.96	4,123	1.16	65.65
117	300659	10503	2	5252	0	315.11	0	0.00	0.00
118	300662	799	1	799	3,653	444.66	3,354	-0.26	-8.19
119	300663	321	1	349	3,058	554.09	3,451	3.18	12.86
120	300664	895	1	895	2,636	440.97	3,578	2.04	35.74
121	310669	5270	1	5270	0	314.75	0	0.00	0.00
122	310675	5020	4	1255	11,761	427.12	16,304	0.93	38.62
123	310676	6902	4	1829	0	405.03	14,158	2.05	100.00
124	310678	1461	1	1461	1,934	419.19	4,117	1.51	112.93
125	310688	1428	1	1428	1,683	420.46	4,123	1.78	144.91
126	310692	754	1	754	3,595	446.39	3,236	-0.48	-9.98
127	310694	711	1	711	3,544	448.04	3,115	-0.57	-12.11
128	310703	2447	4	625	13,809	471.04	13,769	0.44	-0.29
129	310725	1201	1	1201	3,109	429.19	4,035	0.82	29.78
130	310735	1148	1	1148	3,066	431.23	3,984	0.99	29.95
131	320744	1795	3	598	10,218	479.16	10,893	0.77	6.61
132	320750	2399	1	2399	0	383.11	2,073	0.86	100.00
133	320751	2566	2	1283	5,496	426.04	8,184	1.11	48.92
134	320756	1150	1	1150	2,302	431.16	3,987	1.84	73.22
135	320771	745	1	745	3,576	446.74	3,211	-0.54	-10.20
136	320777	2889	1	2889	0	364.26	0	0.00	0.00
137	320778	2283	1	2283	0	387.57	2,524	1.11	100.00
138	320790	1690	1	1690	0	410.38	3,956	2.34	100.00
139	320792	2958	1	2958	0	361.60	0	0.00	0.00
140	320796	1246	1	1246	3,670	427.46	4,070	-0.90	10.90
141	320809	1890	3	630	10,297	469.53	10,480	0.31	1.78
142	320816	477	1	477	3,296	515.57	3,980	2.48	20.74
143	320818	28071	12	2339	0	385.41	27,749	0.99	100.00
144	320826	1142	1	1142	3,266	431.46	3,977	0.69	21.76
145	320827	1903	1	1903	0	402.19	3,611	1.90	100.00
146	320829	4897	1	4897	0	322.18	0	0.00	0.00
147	320830	3527	4	882	13,759	441.47	14,197	0.89	3.18
148	320834	3484	1	3832	0	343.41	0	0.00	0.00
149	320837	813	1	813	3,652	444.12	3,389	-0.30	-7.21
150	320839	1165	1	1165	3,039	430.58	4,002	0.99	31.71
151	330842	7504	3	2501	0	379.18	4,886	0.65	100.00
152	330843	5325	3	1775	0	407.11	11,523	2.16	100.00
153	330846	4841	2	2421	0	382.26	3,959	0.82	100.00
154	330847	919	1	919	3,655	440.04	3,628	0.03	-0.75
155	330848	216	2	108	2,371	626.61	3,301	4.56	39.25
156	330849	1501	1	1501	360	417.65	4,105	2.52	1040.23
157	330850	3528	1	3528	0	349.46	0	0.00	0.00
158	330851	2100	1	2100	0	394.61	3,122	1.49	100.00
159	330856	3943	2	1972	0	399.53	6,913	1.75	100.00
160	330863	2288	3	763	10,840	446.04	9,776	-0.43	-9.81
161	330865	1711	1	1711	248	409.57	3,930	2.15	1485.34
162	330866	1434	2	717	7,113	447.81	6,264	-0.53	-11.93

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
163	330868	2587	3	862	11,009	442.23	10,519	-0.14	-4.45
164	330872	1934	1	1934	0	400.99	3,544	1.83	100.00
165	330875	1259	1	1259	2,806	426.96	4,078	1.09	45.35
166	330879	3440	3	1147	10,035	431.27	11,946	0.54	19.04
167	330880	6663	4	1666	0	411.30	15,930	2.39	100.00
168	330881	34843	2	17422	0	260.35	0	0.00	0.00
169	330889	2036	2	1018	7,101	436.23	7,617	0.32	7.26
170	330892	1790	1	1790	0	406.53	3,817	2.13	100.00
171	330896	1768	2	884	7,335	441.39	7,109	-0.05	-3.08
172	330899	2115	2	1058	6,923	434.69	7,736	0.47	11.74
173	330900	3686	2	1843	0	404.50	7,455	2.02	100.00
174	330902	2520	2	1260	5,845	426.92	8,157	0.94	39.54
175	330905	2643	2	1322	5,509	424.54	8,215	1.02	49.11
176	330914	6578	5	1316	13,197	424.77	20,527	1.16	55.55
177	330915	5382	1	5382	0	312.52	0	0.00	0.00
178	330925	2450	1	2450	0	381.14	1,855	0.76	100.00
179	330930	4086	5	817	18,357	443.97	17,000	0.01	-7.39
180	330938	9447	4	2362	0	384.53	8,888	0.94	100.00
181	330942	2932	5	586	16,516	482.77	18,455	0.76	11.74
182	330943	3778	2	1889	0	402.73	7,279	1.93	100.00
183	330944	9424	2	4712	0	325.87	0	0.00	0.00
184	330945	2822	2	1411	2,594	421.11	8,247	2.10	217.96
185	330946	1229	2	615	6,797	474.04	7,115	0.48	4.68
186	330949	2884	1	2884	0	364.45	0	0.00	0.00
187	330951	3125	1	3125	0	357.49	0	0.00	0.00
188	330955	11565	1	11565	0	260.35	0	0.00	0.00
189	330960	4533	6	756	21,676	446.31	19,434	-0.41	-10.34
190	330962	4929	4	1232	12,052	428.00	16,243	0.88	34.77
191	330966	7793	8	974	28,928	437.93	29,873	0.17	3.27
192	330967	4046	1	4046	0	339.14	0	0.00	0.00
193	330968	7929	1	7929	0	261.76	0	0.00	0.00
194	330970	6753	5	1351	12,699	423.42	20,579	1.19	62.05
195	330971	6556	6	1093	20,703	433.35	23,505	0.43	13.53
196	340976	4413	13	339	37,200	557.10	48,278	2.81	29.78
197	340983	1768	2	884	7,326	441.39	7,109	0.02	-2.97
198	340990	540	1	540	2,359	496.61	3,866	-1.98	63.90
199	340993	642	1	642	3,509	465.92	3,434	0.30	-2.15
200	340998	699	1	699	3,600	448.77	3,090	-0.33	-14.18
201	341016	7947	2	3974	0	340.58	0	0.00	0.00
202	341017	1326	1	1326	2,522	424.38	4,110	1.26	62.99
203	341021	101	1	101	1,075	628.72	1,557	4.56	44.87
204	341024	2570	7	367	20,672	548.67	26,762	2.53	29.46
205	341029	1540	2	770	7,255	445.77	6,557	-0.35	-9.62
206	341041	84	1	84	1,035	633.83	1,322	4.84	27.68
207	341046	164	1	164	1,666	609.76	2,334	4.08	40.14
208	341050	3776	1	3776	0	344.52	0	0.00	0.00
209	341053	4252	2	2126	0	393.61	6,092	1.43	100.00
210	341054	4676	13	360	37,960	550.78	49,308	2.57	29.90
211	341062	638	1	638	3,415	467.12	3,454	0.14	1.16
212	341075	559	1	559	3,298	490.90	3,803	1.10	15.30
213	341086	566	1	566	3,298	488.79	3,776	0.95	14.50
214	341087	782	1	782	3,654	445.31	3,310	-0.22	-9.41
215	341092	100	1	100	1,084	629.02	1,544	4.60	42.37
216	351097	375	1	375	2,996	546.26	3,848	2.50	28.43

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
217	351098	332	1	332	2,817	559.20	3,676	2.84	30.49
218	351101	888	1	888	3,659	441.23	3,563	-0.39	-2.63
219	351107	343	1	343	2,883	555.89	3,726	2.79	29.25
220	351108	189	1	189	1,853	602.23	2,601	3.85	40.39
221	351112	1117	3	372	8,874	547.17	11,527	2.44	29.89
222	351113	1628	1	1628	439	412.77	4,022	2.21	815.98
223	351114	440	1	440	3,192	526.70	3,978	2.01	24.64
224	351115	2949	4	771	14,512	445.74	12,552	-0.36	-13.50
225	351118	1827	2	914	7,247	440.23	7,231	0.24	-0.23
226	351119	486	1	486	3,245	512.86	3,973	1.46	22.45
227	351121	149	1	149	1,555	614.27	2,162	4.21	39.07
228	351125	5796	3	1932	0	401.07	10,646	1.84	100.00
229	351126	208	2	104	2,324	627.81	3,195	4.60	37.49
230	351130	838	1	838	3,669	443.16	3,450	-0.01	-5.97
231	351133	841	4	210	8,329	595.92	11,241	3.78	34.97
232	351136	605	1	605	3,408	477.05	3,601	0.66	5.66
233	351137	636	2	318	5,569	563.42	7,209	3.02	29.44
234	351139	1580	4	395	12,152	540.25	15,621	2.25	28.55
235	351141	784	1	784	3,656	445.24	3,316	-0.20	-9.30
236	351146	366	1	366	3,018	548.97	3,818	2.73	26.52
237	351147	998	1	998	3,511	437.00	3,775	0.47	7.50
238	351149	286	1	286	2,562	573.05	3,414	3.16	33.23
239	351150	650	1	650	3,467	463.51	3,392	0.06	-2.16
240	351152	1570	2	785	7,101	445.20	6,637	-0.69	-6.54
241	351153	781	1	781	3,619	445.35	3,308	-0.43	-8.58
242	351157	719	2	360	5,848	550.78	7,582	2.59	29.65
243	351160	1247	2	624	7,041	471.34	7,037	0.63	-0.06
244	351162	1424	2	712	7,229	448.01	6,236	-0.30	-13.74
245	351166	806	1	806	3,659	444.39	3,372	-0.21	-7.85
246	351168	1816	7	259	17,186	581.17	22,599	3.47	31.49
247	351169	317	1	317	3,250	563.72	3,599	4.68	10.73
248	351171	2065	1	2065	0	395.96	3,221	1.56	100.00
249	351172	2417	4	604	13,397	477.35	14,426	0.56	7.68
250	351173	2601	4	650	13,759	463.51	13,574	-0.01	-1.34
251	351174	1230	3	410	9,346	535.73	11,813	2.25	26.40
252	351175	430	1	430	3,178	529.71	3,968	2.13	24.85
253	351176	729	1	729	3,580	447.35	3,166	-0.49	-11.56
254	351177	1724	4	431	12,595	529.41	15,877	1.98	26.06
255	351179	342	1	342	2,874	556.19	3,722	2.79	29.49
256	351187	1306	2	653	7,109	462.61	6,752	0.25	-5.02
257	351188	576	1	576	3,301	485.78	3,734	0.87	13.13
258	351189	988	2	494	6,529	510.46	7,929	1.47	21.44
259	351191	724	1	724	3,364	447.54	3,152	-1.03	-6.30
260	351195	2187	4	547	13,175	494.51	15,371	1.22	16.66
261	351199	484	1	484	3,271	513.46	3,975	1.72	21.51
262	351202	744	1	744	3,619	446.77	3,208	-0.36	-11.35
263	351203	866	1	866	3,670	442.08	3,514	-0.11	-4.25
264	351205	1818	2	909	7,306	440.43	7,215	0.07	-1.25
265	351206	427	2	214	4,250	594.71	5,675	3.78	33.52
266	351209	1407	3	469	9,710	517.98	11,952	1.72	23.09
267	351212	3500	1	3500	0	350.02	0	0.00	0.00
268	351213	352	1	352	2,920	553.19	3,765	2.72	28.94
269	351217	982	3	327	8,348	560.71	10,965	2.84	31.35
270	351220	1948	2	974	7,195	437.93	7,467	0.23	3.78

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
271	351222	713	1	713	3,599	447.97	3,121	-0.38	-13.29
272	351223	320	1	320	2,766	562.81	3,615	2.94	30.71
273	351225	1991	4	498	13,116	509.25	15,827	1.54	20.67
274	351228	282	1	282	2,540	574.25	3,387	3.19	33.36
275	351230	2245	3	748	10,835	446.62	9,663	-0.40	-10.82
276	351232	796	1	796	3,486	444.77	3,346	-0.91	-4.01
277	351235	616	1	616	3,361	473.74	3,556	0.39	5.79
278	351237	1943	4	486	11,984	512.86	15,884	0.42	32.54
279	351238	308	1	308	2,722	566.43	3,549	3.07	30.40
280	351239	665	2	333	5,688	558.90	7,350	2.88	29.22
281	351241	849	1	849	3,669	442.73	3,475	-0.03	-5.30
282	351242	737	1	737	3,612	447.04	3,189	-0.38	-11.70
283	351243	97	1	97	1,094	629.92	1,503	4.66	37.35
284	351245	454	1	454	3,223	522.49	3,985	1.92	23.64
285	351246	856	2	428	6,277	530.32	7,932	2.01	26.37
286	351247	969	4	242	8,891	586.29	12,369	3.40	39.12
287	351248	2290	2	1145	6,269	431.35	7,962	0.89	27.00
288	351250	653	1	653	3,480	462.61	3,376	0.04	-3.00
289	351251	2158	3	719	10,736	447.74	9,419	-0.48	-12.27
290	351252	5302	1	5302	0	314.11	0	0.00	0.00
291	351257	900	1	900	3,661	440.77	3,588	0.01	-2.00
292	351259	2538	7	363	20,768	549.88	26,620	2.64	28.18
293	351260	6459	3	2153	0	392.57	8,890	1.38	100.00
294	351261	1381	4	345	11,497	555.29	14,952	2.73	30.05
295	351262	750	1	750	3,451	446.54	3,225	-0.90	-6.54
296	351263	1695	1	1695	0	410.19	3,951	2.33	100.00
297	351264	765	2	383	6,141	543.86	7,736	2.59	25.98
298	351265	228	1	228	2,287	590.50	2,970	3.77	29.84
299	351266	278	1	278	2,476	575.45	3,360	3.15	35.72
300	351269	427	1	427	3,287	530.62	3,965	2.99	20.63
301	351270	292	1	292	2,681	571.24	3,453	3.29	28.79
302	351271	2111	1	2111	0	394.19	3,091	1.46	100.00
303	351273	830	1	830	3,667	443.47	3,431	-0.16	-6.43
304	351274	1827	1	1827	0	405.11	3,756	2.06	100.00
305	351275	220	1	220	2,172	592.91	2,899	3.73	33.47
306	351276	1235	2	618	6,972	473.14	7,090	0.63	1.70
307	351277	513	1	513	3,294	504.74	3,933	1.51	19.40
308	351278	1034	1	1034	3,486	435.62	3,834	0.46	9.98
309	351280	396	1	396	3,045	539.95	3,908	2.26	28.35
310	351282	1319	4	330	11,103	559.81	14,653	2.79	31.97
311	351283	453	1	453	3,240	522.79	3,984	2.05	22.98
312	351284	845	1	845	3,663	442.89	3,466	-0.26	-5.37
313	351285	1102	2	551	6,591	493.30	7,662	1.14	16.26
314	351291	1779	4	445	12,702	525.20	15,915	1.83	25.29
315	351292	182	1	182	4,670	604.34	2,528	4.72	-45.86
316	351293	1237	2	619	6,780	472.84	7,081	0.39	4.44
317	351294	532	1	532	3,295	499.02	3,889	1.49	18.01
318	351297	2463	7	352	20,239	553.19	26,343	2.64	30.16
319	351298	12661	5	2532	0	377.99	7,427	0.59	100.00
320	351301	879	3	293	8,362	570.94	10,377	3.49	24.09
321	351302	1304	1	1304	2,609	425.23	4,102	1.21	57.23
322	351303	658	2	329	5,531	560.11	7,322	2.77	32.37
323	351304	1013	1	1013	3,568	436.43	3,801	0.27	6.54
324	351305	692	1	692	3,661	450.87	3,138	0.15	-14.28

Appendix D
2005 Average Schedule USF Study
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Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
325	351306	3029	2	1515	5,004	417.11	8,195	0.88	63.77
326	351307	193	1	193	1,938	601.03	2,641	3.90	36.26
327	351308	392	1	392	3,035	541.15	3,898	2.30	28.44
328	351309	483	1	483	3,250	513.77	3,976	1.56	22.32
329	351310	574	1	574	3,301	486.38	3,742	0.94	13.36
330	351319	3118	6	520	19,764	502.63	23,496	1.64	18.88
331	351320	639	1	639	3,419	466.82	3,449	0.13	0.87
332	351322	477	1	528	3,297	500.22	3,523	1.47	6.85
333	351324	1209	2	605	6,752	477.05	7,196	0.59	6.58
334	351326	804	1	804	3,664	444.47	3,367	-0.15	-8.12
335	351328	4994	16	312	43,360	565.22	57,169	2.97	31.85
336	351329	1455	1	1455	2,080	419.42	4,119	1.40	98.07
337	351331	5305	6	884	21,982	441.39	21,330	-0.02	-2.96
338	351332	3913	2	1957	0	400.11	6,984	1.78	100.00
339	351334	4293	8	537	26,110	497.52	30,979	0.64	18.65
340	351335	365	1	365	2,887	549.27	3,814	2.39	32.11
341	351336	1981	1	1981	0	399.19	3,437	1.73	100.00
342	351337	6964	16	435	50,981	528.21	63,612	2.09	24.78
343	351342	238	1	238	2,281	587.49	3,056	3.57	33.98
344	351343	674	1	674	3,525	456.29	3,254	-0.18	-7.68
345	351344	1070	3	357	8,703	551.68	11,343	2.58	30.33
346	351405	2159	7	308	18,686	566.43	24,878	2.96	33.13
347	351407	163	1	163	0	610.06	2,323	14.25	100.00
348	351424	1025	3	342	8,524	556.19	11,155	2.71	30.87
349	361337	826	4	207	8,300	596.82	11,087	3.84	33.58
350	361347	3673	3	1224	9,296	428.31	12,166	0.78	30.88
351	361348	73	1	73	803	637.14	1,164	4.80	45.03
352	361353	1373	1	1373	2,494	422.58	4,122	1.19	65.28
353	361356	4954	5	991	18,100	437.27	18,813	0.10	3.94
354	361358	7402	7	1057	23,941	434.73	27,091	0.57	13.16
355	361362	8898	2	4449	0	331.11	0	0.00	0.00
356	361365	296	1	296	2,727	570.04	3,478	3.31	27.55
357	361372	219	1	219	2,144	593.21	2,890	3.71	34.79
358	361373	10275	10	1028	35,618	435.85	38,230	0.26	7.33
359	361375	9560	11	869	39,862	441.97	38,739	0.34	-2.82
360	361380	315	1	315	2,707	564.32	3,588	2.91	32.56
361	361381	245	1	245	2,327	585.38	3,113	3.51	33.80
362	361384	288	1	288	2,579	572.44	3,427	3.16	32.86
363	361389	1157	4	289	10,286	572.14	13,745	3.13	33.62
364	361390	2145	7	306	18,531	567.03	24,798	2.96	33.82
365	361396	3418	4	855	14,679	442.50	13,948	-0.17	-4.98
366	361401	1585	10	159	16,361	611.26	22,705	4.14	38.78
367	361403	782	1	782	3,626	445.31	3,310	-0.40	-8.72
368	361404	1027	2	514	6,576	504.44	7,855	1.43	19.45
369	361405	618	3	206	6,028	597.12	8,307	3.75	37.80
370	361408	2043	3	681	10,475	454.18	9,630	-0.38	-8.06
371	361409	13207	1	13207	0	260.35	0	0.00	0.00
372	361412	4743	3	1581	3,812	414.57	12,180	1.77	219.52
373	361413	2083	4	521	13,164	502.33	15,658	1.30	18.95
374	361419	335	1	335	2,799	558.30	3,690	2.74	31.85
375	361422	1894	1	1894	0	402.53	3,629	1.92	100.00
376	361423	919	1	919	3,662	440.04	3,628	-0.04	-0.92
377	361424	797	2	399	6,152	539.04	7,820	2.32	27.12
378	361425	1694	1	1694	60	410.23	3,952	2.30	6517.69

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
379	361426	631	2	316	5,531	564.02	7,176	3.02	29.73
380	361427	36560	1	36560	0	260.35	0	0.00	0.00
381	361430	11163	8	1395	19,014	421.73	32,996	1.26	73.54
382	361431	2907	4	727	14,225	447.43	12,639	-0.56	-11.15
383	361439	982	3	327	8,416	560.71	10,965	2.91	30.29
384	361440	2124	4	531	13,182	499.32	15,566	1.32	18.08
385	361443	12929	9	1437	18,217	420.11	37,082	1.49	103.56
386	361448	1964	1	1964	0	399.84	3,477	1.77	100.00
387	361450	4426	6	738	21,943	447.00	19,141	-0.07	-12.77
388	361472	7754	10	775	36,317	445.58	32,937	-0.36	-9.31
389	361474	584	1	584	3,294	483.37	3,698	0.19	12.25
390	361475	4768	9	530	29,676	499.62	35,033	1.27	18.05
391	361476	505	1	505	3,278	507.15	3,948	1.40	20.43
392	361479	19438	3	6479	0	290.66	0	0.00	0.00
393	361482	17085	4	4271	0	334.66	0	0.00	0.00
394	361485	1336	2	668	6,906	458.10	6,581	-0.27	-4.70
395	361487	1677	1	1677	392	410.88	3,971	2.14	914.11
396	361494	1168	1	1168	3,301	430.46	4,005	0.58	21.31
397	361495	820	2	410	6,042	535.73	7,876	1.92	30.35
398	361499	2631	1	2631	0	374.18	1,000	0.38	100.00
399	361500	38	1	38	370	647.67	631	5.03	70.31
400	361502	2451	2	1226	6,082	428.23	8,108	0.86	33.31
401	361505	6484	18	360	52,071	550.78	68,374	2.50	31.31
402	361507	1769	1	1769	0	407.34	3,850	2.18	100.00
403	361508	1173	1	1173	3,166	430.27	4,010	0.79	26.65
404	361510	1377	5	275	13,106	576.36	16,722	3.48	27.59
405	361512	182	1	182	1,837	604.34	2,528	3.96	37.63
406	361515	2273	1	2273	0	387.95	2,560	1.13	100.00
407	361654	1684	3	561	9,891	490.29	11,391	0.96	15.17
408	371530	1656	5	331	13,845	559.50	18,365	2.73	32.65
409	371532	3040	15	203	30,019	598.02	41,032	3.79	36.69
410	371555	6239	9	693	31,962	450.57	28,188	-0.40	-11.81
411	371556	1706	1	1706	928	409.77	3,937	1.74	324.22
412	371561	745	1	745	3,625	446.74	3,211	-0.33	-11.43
413	371562	1319	3	440	9,580	526.70	11,924	2.03	24.47
414	371563	1213	2	607	6,717	476.45	7,181	0.53	6.90
415	371565	654	2	327	5,644	560.71	7,302	2.95	29.37
416	371581	1940	2	970	7,232	438.08	7,452	0.17	3.05
417	371582	1079	1	1079	3,424	433.89	3,900	0.52	13.91
418	371590	97	1	97	1,065	629.92	1,503	4.63	41.13
419	381509	331	2	166	3,454	609.16	4,698	4.12	36.03
420	381601	48	1	48	547	644.66	788	5.01	43.94
421	381614	1529	5	306	13,465	567.03	17,676	3.04	31.27
422	381615	2064	4	516	13,152	503.84	15,710	1.39	19.45
423	381622	987	2	494	6,505	510.46	7,921	1.39	21.76
424	381623	245	1	245	2,179	585.38	3,113	3.27	42.86
425	381625	5353	15	357	43,587	551.68	56,749	2.58	30.20
426	381631	4231	10	423	29,868	531.82	39,602	1.58	32.59
427	381638	1094	3	365	8,847	549.27	11,433	2.56	29.23
428	383303	40561	25	1622	0	413.00	100,712	2.48	100.00
429	391640	1663	3	554	9,898	492.40	11,468	0.94	15.86
430	391642	3062	5	612	16,665	474.95	17,878	0.39	7.28
431	391649	1476	1	1476	1,939	418.61	4,113	1.48	112.16
432	391650	13344	1	13344	0	260.35	0	0.00	0.00

Appendix D
2005 Average Schedule USF Study
Comparison of Current and Pending Monthly HCL Cost per Loop Model Payments

Obs	Study Area Code	Loops	Exch	Loops per Exch	Current Payments	Pending Cost per Loop	Monthly Payment (Fund Cap Appl.)	Per Loop Payment Difference	Payment Percent Difference
433	391653	384	1	384	3,070	543.56	3,876	2.57	26.24
434	391654	14530	26	559	85,637	490.90	98,841	1.00	15.42
435	391657	7209	5	1442	12,419	419.92	20,602	1.06	65.90
436	391660	6470	8	809	29,178	444.27	27,024	-0.32	-7.38
437	391664	3986	14	285	35,583	573.35	47,655	3.14	33.93
438	391669	2144	6	357	17,455	551.68	22,729	2.59	30.22
439	391671	2423	1	2423	0	382.18	1,971	0.81	100.00
440	391674	2026	8	253	19,671	582.98	25,442	3.59	29.34
441	391677	6021	8	753	28,725	446.43	25,853	-0.49	-10.00
442	391682	397	2	199	4,203	599.23	5,389	4.02	28.22
443	391684	1790	2	895	7,326	440.97	7,156	-0.03	-2.32
444	391688	1193	3	398	8,997	539.34	11,727	2.07	30.35
445	401710	1074	2	537	6,593	497.52	7,750	1.17	17.55
446	401712	7528	8	941	29,160	439.20	29,375	0.06	0.74
447	401722	4470	8	559	26,421	490.90	30,407	1.31	15.09
448	421206	1177	4	294	10,475	570.64	13,872	3.13	32.42
449	421759	2695	6	449	19,289	524.00	23,908	1.96	23.95
450	421860	373	1	373	2,955	546.87	3,842	2.42	30.00
451	421876	192	1	192	2,014	601.33	2,631	4.02	30.66
452	421893	631	1	631	3,403	469.23	3,489	0.23	2.51
453	421900	1585	4	396	12,314	539.95	15,641	2.36	27.02
454	421932	1488	1	1488	1,495	418.15	4,110	1.80	174.90
455	421936	536	1	536	3,294	497.82	3,878	1.09	17.72
456	421942	1999	3	666	10,424	458.70	9,912	-0.18	-4.91
457	431704	1439	1	1439	1,934	420.04	4,122	1.56	113.19
458	431968	1885	1	1885	0	402.88	3,647	1.93	100.00
459	432141	738	3	246	6,782	585.08	9,364	3.38	38.06
460	442038	1463	1	1463	1,857	419.11	4,117	1.57	121.67
461	442043	896	2	448	6,432	524.30	7,965	2.01	23.84
462	442107	7942	1	7942	0	261.50	0	0.00	0.00
463	462198	957	1	957	3,642	438.58	3,702	0.06	1.65
464	462206	78	1	78	895	635.64	1,236	4.80	38.09
465	462210	65	1	65	761	639.55	1,046	4.90	37.47
466	472227	1675	5	335	14,147	558.30	18,450	2.80	30.41
467	482252	4090	2	2045	0	396.72	6,549	1.60	100.00
468	502279	1521	1	1521	376	416.88	4,096	2.47	988.56
469	502282	1542	1	1542	431	416.07	4,085	2.40	847.71
470	502283	1670	3	557	9,885	491.50	11,423	0.94	15.56
471	522430	4438	3	1479	4,923	418.50	12,342	1.71	150.71
472	532386	1983	1	1983	0	399.11	3,432	1.73	100.00
473	532396	634	1	634	3,428	468.33	3,474	0.23	1.35
474	532399	7750	1	7750	0	265.33	0	0.00	0.00
475	613005	51	1	51	558	643.76	834	4.96	49.37
476	613026	206	1	206	1,861	597.12	2,769	3.54	48.82
Total:					2,938,582		4,166,399		